FBIS DAILY REPORT

CONTENTS

China

Vol I No 099 22 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Vice Premier Yao Yilin Continues U.S. Visit B 1
Views Nuclear Power Industry B 1
Arrives in Seattle B 1
XINHUA Roundup Views U.S. Arms Sales to Saudis B 1

SOVIET UNION

Tongjiang Port To Open to Soviet Vessels C 1
XINHUA News Analysis Views Soviet Energy Changes C 1
Soviet Envoy Attends Beijing Gorkiy Celebration C 2
Heihe Prefecture To Resume Trade With Soviet Union C 2
[DONGBEI JINGJI BAO 15 April]

NORTHEAST ASIA

Zhao Ziyang Meets Japanese Visitors D 1
Yang Dezhi Pays Courtesy Call on Japan's Nakasone D 1
Hu Qili Meets Japanese Amity Group Members D 1
Hao Jianxiu Meets Japanese Youth Group D 2
Japan's Diet Approves Nuclear Energy Pact With PRC D 2
Shanghai Paper on Preparations for Seoul Games [KYODO] D 2
DPRK Denounces Nakasone Remarks on Korean Issue D 2
South Korea Accused of Sabotaging Dialogue D 3
South Koreans Mark Kwangju Massacre Anniversary D 3

SOUTHEAST ASIA & PACIFIC

SRV Announces Partial Cambodia Withdrawal E 1
Troop Withdrawal 'Trick' Noted E 1
[RENMIN RIBAO 20 May]
Australia's Hawke Meets Hu Yaobang in Chengdu E 2
Tours Various Sites E 2
Navy Commander Supports Thailand Against SRV E 3
Hong Kong Favors Solution to Taiwan Plane Incident E 3

SOUTH ASIA

Pakistan Minister Marwat Meets Zhao Ziyang F 1
Hosts Anniversary Reception F 1
Former Prime Minister of Bangladesh Visits F 2
Briefed by Wan Li F 2
Meets Deng Yingchao F 2

WESTERN EUROPE

Further on Wu Xuequian Visit to Denmark G 1
Meets Danish Prime Minister G 1
Meets Danish Foreign Minister G 1
Sino-Soviet Relations Viewed G 1
Austrian Leader Praises PRC Foreign Policy G 2

MIDDLE EAST & AFRICA

Foreign Ministry Statement on South African Raids I 1
ACFTU 'Strongly' Condemns South African Raids I 1

PRC NATIONAL AFFAIRS

Hu Yaobang, Tian Jiyun Inspect Rural Gansu K 1
Ma Ding Writes on China's Study of Economics K 3
[GONGREN RIBAO 2 Nov 85]
Part II of LIAOWANG Article on Technological Imports K 10
[LIAOWANG OVERSEAS EDITION 12 May]
Li Peng Inspects Guangdong Nuclear Power Plant K 13
Nuclear Safety Stressed K 15

PRC REGIONAL AFFAIRS

EAST REGION
Chen Guangyi Assumes Office as Fujian CPC Secretary O 1
[LIOAWANG OVERSEAS EDITION 12 May]
Shandong Elects Three Vice Governors 19 May O 1

CENTRAL-SOUTH REGION

Guangdong Revises Family Planning Regulations P 1
Hubei Congress Elects New Provincial Leaders P 1
Guo Zhenqian Elected Governor P 1
Shenzhen Formulates New Tax, Exemption Regulations P 2
Liu Hao Becomes Shenzhen City CPC Committee Secretary P 2

PRC MEDIA ON TAIWAN AFFAIRS

Non-KMT Personages Demonstrate in Taipei 19 May U 1
KMT Urged To Change Rigid Policy Toward Mainland U 1

TAIWAN

U.S. Avionics Sale to PRC Poses Regional Security Risk V 1
Support Urged for Taiwan Efforts To Reunify China V 1
CHINA POST Hails Kuomintang-Nonpartisan Talks [16 May] V 2
Kuomintang Official Comments V 3

HONG KONG MEDIA ON CHINA

CAAC Guangzhou Head Queried on Return of CAL Plane W 1
CAAC-CAL Talks Set 'Good Precedent' for Dialogue W 1
Economic Construction Official Comments on Priority of Projects W 3
[CHING PAO 10 May]
Controversy of Stationing PRC Troops in Hong Kong Analyzed W 7
[KUANG CHIAO CHING 16 May]

VICE PREMIER YAO YILIN CONTINUES U.S. VISIT

Views Nuclear Power Industry

HK201600 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0358 GMT 20 May 86

[Text] Washington, 19 May (ZHONGGUO XINWEN SHE) -- According to a report from New York, Chinese Vice Premier Yao Yilin reaffirmed here that China deems it necessary to develop the nuclear power industry as a supplement to electrical power, and will pay more serious attention to the safety of nuclear power plants. Yao Yilin made the above remarks in his interview with a reporter from American HUA QIAO RIBAO. The reporter asked Yao Yilin: What is the impact of the Soviet nuclear power plant accident on China's nuclear power plants under construction? What is your view on the request of some Hong Kong people for changing the site of the Daya Bay nuclear power plant? Yao Yilin said that the nuclear power industry is only at the beginning stage in China. The Daya Bay nuclear power plant is a large one, and the Qinshan nuclear power plant is a medium-sized or small one. We also have smaller ones. No accident has ever happened at these nuclear power plants. The trouble at the Soviet nuclear power plant does not mean that other nuclear power plants will also have troubles. There are many nuclear power plants in the world that are still operating. We should not shake our determination to develop the nuclear power industry as a supplement to electrical power industry merely because of the accident at the Soviet nuclear power plant. The Daya Bay nuclear power plant will take much better safety measures to prevent nuclear radioactive leaks. The accident at the Soviet nuclear power plant was due to its poor safety equipment. All the equipment of the Daya Bay nuclear power plant comes from France. Nothing has gone wrong with French nuclear power equipment so far.

Arrives in Seattle

OW220752 Beijing XINHUA in English 0738 GMT 22 May 86

[Text] Seattle, May 21 (XINHUA) -- Chinese Vice Premier Yao Yilin arrived in this city in Washington state today from Dallas, Texas, the last stop on his American visit. Accompanying Yao are Chinese Ambassador to the United States Han Xu and U.S. Ambassador to China Winston Lord. Greeting Yao at the airport were Booth Gardner, governor of Washington; Charles Royer, mayor of Seattle; and Tang Shubei, Chinese consul general in San Francisco. Yao and his party later were honored at a dinner by the Washington State China Relations Council at the Harbor Club. John M. Fluke Jr., president of the host organization, and Yao said in their toasts that there is potential for expanded development in economic and trade relations, technological cooperation and cultural exchanges between China and the United States in general and Washington state in particular. Before leaving Dallas, Yao visited Electronic Data System (EDS) Corporation and Texas Instruments Incorporated.

XINHUA ROUNDUP VIEWS U.S. ARMS SALES TO SAUDIS

OW211210 Beijing XINHUA in English 1136 GMT 21 May 86

["Roundup: Reagan's Uphill Fight to Rescue Arms Sales to Saudi Arabia" (by Bao Guangren) -- XINHUA headline]

[Text] Washington, May 20 (XINHUA) -- U.S. President Ronald Reagan has since May 7 been in an uphill battle with the U.S. Congress to rescue his 354 million-dollar worth of arms sale to Saudi Arabia.

As the deadline set for Wednesday approaches, the hope for Reagan to win back the deal appears dim indeed. The Senate first voted against the arms sale 73 to 22 on May 5. Two days later, the House voted 356 to 62 against the proposal. For the first time, both houses of the U.S. Congress have voted down the administration's foreign arms sale bill. The move irritated the White House which said in a statement that "by this act the Congress has ended our longstanding security ties to Saudi Arabia, called into question the validity of U.S. commitments to its friends and undermined U.S. interests and policies throughout the Middle East." Reagan pledged to veto the resolution. According to the U.S. Constitution, he can exercise his veto right. However, his veto could be overruled if both houses could gather two-thirds of the votes. Reagan is now lobbying hard the Republican-dominated Senate, because if the senate fails to gather two-thirds of the votes, Reagan will win. He still needs 12 more votes in the Senate. This is a hard job for him. According to White House spokesman Larry Speakes, by Monday Reagan had not had the votes yet.

The resolve for Reagan to launch a "last-ditch" fight with the Congress is out of the fear that failure to provide Saudi Arabia with the advanced missiles could mean a further U.S. loss of influence in the Middle East. The United States has a poor reputation in the Middle East beause of its support for Israel. Administration officials argued that by turning down the arms sale proposal, the United States would lose nearly all the friends in the region but Israel. They also fear that this would weaken the American capacity to influence Saudi Arabia. It would mean a signal to the Saudis that the U.S. has loosened its support for their declared policy of helping Kuwait in the event of an Iranian attack. The smaller Gulf states would feel that they cannot rely on the United States.

These officials also fear that to refuse the arms sale to the Saudis would potentially increase the power of Syria and the Soviet Union in the region. The arms sale can serve as a gesture that the United States "values and intends to strengthen its ties with moderate Arab nations," particularly after the U.S. raid on Libya, a move that irritated all the Arab countries. Therefore, the administration's insistent demand for the arms sale is prompted chiefly by political rather than military motives, just as one U.S. official said.

The congressional action, which is unusual this time, shows the anti-Libya feeling at home being translated into anti-Arab politics, as some analysts said. Saudi Arabia's criticism of the U.S. bombing raid on Libya has also been regarded by some congressmen as one reason to turn down the arms sale. They also fear that the shoulder-fired Stinger anti-aircraft missiles, the air-to-air Sidewinder missiles and air-to-ship Harpoon missiles might be transferred to the terrorists. The United States is unhappy with Saudi Arabia on many issues, such as Saudi's connection with the moderate group of Palestinian leaders. The two countries also differ on oil policy. But between the pros and cons with the arms sale issue, the Reagan administration chooses the former.

President Reagan is now busy contacting senators, talking with Jewish leaders and making calls and writing letters to key congressmen. He is even considering scaling down its proposal to sell missiles to Saudi Arabia in hopes of overcoming the possible defeat by Congress. Reagan is said to intend to remove a part of the package that calls for the sale of shoulder-fired Stinger antiaircraft missiles, which is viewed by some critics as the most objectionable component of the proposals. This is a compromise by Reagan to make the deal more acceptable to the Senate. Whether it works is still hard to tell. He may hold off on the veto to buy time and wait until Congress reconvenes on June 2.

TONGJIANG PORT TO OPEN TO SOVIET VESSELS

OW190125 Beijing XINHUA in English 0114 GMT 19 May 86

[Text] Beijing, May 19 (XINHUA) -- A north-eastern port will opened to Soviet ships tomorrow in a move aimed at promoting economic relations and trade with the Soviet Union, the Communications Ministry announced today. Tongjiang Harbor is situated at the confluence of the Songhuajiang River and the Heilongjiang Rive in Heilongjiang Province. It is five kilometers from the Soviet border. The harbor used to handle trade between China and the Soviet Union between 1956 and the mid 1960s. The port is equipped with offices from customs, shipping agent, reprovision and quarantine.

XINHUA NEWS ANALYSIS VIEWS SCVIET ENERGY CHANGES

OW210826 Beijing XINHUA in English 0643 GMT 21 May 86

["News analysis: Oil Gives Way to Coal in Soviet Energy Structure" (by Zhang Tiegang) -- XINHUA headlines]

[Text] Beijing, May 21 (XINHUA) -- The Soviet Union is considering a shift from oil to coal as the main resource for its power industry in an all-out drive to shake up its sluggish economy. Under the new direction, Soviet officials explain, the country's power industry will be developed in two stages over the next 15 years. First, coal, gas and oil will constitute the main part of the fuel and power complex during the 1986-1990 period; then, coal and nuclear power will become the leading factors before the end of the century. This indicates that the Kremlin is determined to change the country's present fuel-energy structure, which it regards as incompatible with the economic situation. In recent years, oil, gas and coal have accounted for about 45, 27 and 25 percent, respectively, of fuel supplies for the country's power industry.

The Soviet Union, the world's largest oil producer, earns about 60 percent of its foreign exchange from oil exports. Its oil production, which peaked in 1983, began to fall in 1984 for the first time since the end of World War II. Output in 1985 dropped to 595 million tons against the target of 628 million tons. It appears that this decline in oil production cannot be reversed because of depletion in old oilfields, the lack of new, advanced drilling equipment and the harsh extracting conditions found in new fields. Falling oil production, accompanied by growing domestic demands, supply commitment to Eastern Europe and price cuts on the world oil market, have put pressure on the Soviet Union's power industry and impaired its economic growth. Natural gas, which accounts for a further 15 percent of the country's hard-currency receipts, is not likely to alleviate the stress either. The only feasible solution appears to be increasing production and use of coal.

Statistics show that the Soviet Union possesses about 50 percent of the world's 11,000 billion coal deposits. Its coal production, after a modest decline in the early 1980's, last year began to pick up, reaching 726 million tons. The country's new five-year plan for 1986-1990 envisages a substantial increase in coal production -- up to 780 million to 800 million tons annually.

Addressing the 27th party congress two months ago, Soviet leader Mikhail Gorbachev and Premier Nikolay Ryzhkov pledged to implement a radical modernization of the fuel and energy complex and called for a shift from oil to coal to fulfill the Kremlin's energy program in the next decades.

They also stressed the need to build new coal production centers in the country's eastern regions -- Siberia, Kazakhstan and the Far East, where more than 90 percent of the country's coal reserves lie and where coal can be strip-mined. The world's biggest strip-mine, Bogatyr in Kazakhstan, yields 52 million tons a year. Because miners have to go deeper and deeper to find the coal reserves, the costs are increasing. Experts have been asked to develop new machinery that will automate underground operations.

Meanwhile, the recent accident at the Chernobyl nuclear power station near Kiev, the world's most serious nuclear disaster in three decades, may have strengthened the Kremlin's determination to speed up the strategic shift from oil to coal, although it will not relax efforts for a further development in the gas, oil and nuclear industries.

SOVIET ENVOY ATTENDS BEIJING GORKIY CELEBRATION

OW191632 Beijing XINHUA in English 1452 GMT 19 May 86

[Text] Beijing, May 19 (XINHUA) -- A meeting was held to commemorate the 50th anniversary of the death of the Soviet writer Maxim Gorkiy here today. Gorkiy (1868 -- 1936) is a very popular Soviet writer in China. A great number of his works have been translated into Chinese. Last year, China finished the publication of a Chinese version of his collected works. At the meeting, Zhang Yu, director of the Institute of Foreign Liteature under the Chinese Academy of Social Sciences, gave an introduction to Gorkiy's literary thought, his life and impact on Chinese literature. He said Gorkiy's ideas are immortal, and Chinese artists and art-lovers regard his works as teachers and friends.

Soviet Ambassador to China Oleg Aleksandrovich Troyanovskiy praised Gorkiy as a contributor to ties of friendship between the Soviet Union and China. The meeting was sponsored by the Chinese People's Association for Friendship with Foreign Countries, the Sino-Soviet Friendship Association, the Institute of Foreign Literature under the Chinese Academy of Social Sciences, the Institute of Soviet Literature and the Chinese Writers Association.

HEIHE PREFECTURE TO RESUME TRADE WITH SOVIET UNION

SK220139 Shenyang DONGBEI JINGJI BAO in Chinese No 38, 15 Apr 86 p 3

[Text] The border trade between Heihe Prefecture in northeast China and the Soviet Union which had been suspended for 25 years will soon resume. It is reported that the Soviet Union is very interested in our country's farm and sideline products such as soybean and wheat, beer, foodstuffs, and various light and textile industrial products.

ZHAO ZIYANG MEETS JAPANESE VISITORS

OW211224 Beijing XINHUA in English 1211 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that, in modernizing the country, China would not only import technologies and funds, but also know-how and management methods, which he stressed as being more important. Zhao made the remark at a meeting with a delegation from the National Governors Association of Japan led by its President and Governor of Tokyo, Shunichi Suzuki, and Governor of Okayama Prefecture Shiro Nagano.

The Chinese premier told the visitors that there are still many problems in China's city management. He hoped the Japanese friends would give their suggestions and criticisms and share their experience in city construction and management. He pointed out that one of the important reasons for the consistent development of Sino-Japanese friendly relations lies in the efforts by both sides to pursue government-to-government and people-to-people contacts. Multi-channel contacts, he added, have laid a solid foundation for bilateral relations. He expressed his hope that exchanges between the two countries would be conducted in wider fields.

Suzuki stressed that the Japanese local governments should contribute to the promotion of friendly cooperation between the two countries. He held that Japan may be advanced in science and technology, but it can learn a lot from China's culture and traditions; so the two countries should strengthen their exchanges in those fields that benefit both sides. Suzuki told Zhao that he is also leading another delegation -- the Tokyo friendship mission -- here to hold discussions on cooperation between Tokyo and Beijing. Present at the meeting were Mayor of Beijing Chen Xitong and President of the China-Japan Friendship Association Sun Pinghua.

YANG DEZHI PAYS COURTESY CALL ON JAPAN'S NAKASONE

OW201350 Beijing XINHUA in English 1342 GMT 20 May 86

[Text] Tokyo, May 20 (XINHUA) -- Yang Dezhi, visiting chief of general staff of the Chinese People's Liberation Army, today made a courtesy call on Japanese Prime Minister Yasuhiro Nakasone. They discussed the promotion of exchanges between the armies of the two nations and other matters. In the afternoon the PLA chief of general staff also met Japanese Foreign Minister Shintaro Abe, Director-General of the Defense Agency Koichi Kato and Chairman of the Joint Staff Council of the Self-Defense Forces Shigehiro Mori. Yang, who is the first Chinese senior army officer to visit Japan, arrived here yesterday for a short stay on his home from a trip to the United States.

HU QILI MEETS JAPANESE AMITY GROUP MEMBERS

OW211028 Beijing XINHUA in English 1023 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from the Japan-China Friendship Society under the Tokyo Junior Chamber Inc., headed by chairman Tadashi Okuyama of the society here today. Hu Qili praised the Japanese guests for their efforts to expand Japan-China friendship and help train Chinese graduate students. The 18-member delegation arrived here on a week-long visit to China at the invitation of the All-China Youth Federation yesterday.

HAO JIANXIU MEETS JAPANESE YOUTH GROUP

OW211438 Beijing XINHUA in English 1415 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Hao Jianxiu, member of the Secretariat of the Chinese Communist Party Central Committee. met here this evening with leading members of a youth delegation from the Japanese Federation of Iron and Steel Worker's unions led by its vice-president Yasumasa Saito. Hao expressed her hope that young workers of the two countries would promote their mutual understanding and friendship in the 21st century and bilateral economic and technical cooperation. After the meeting, the 300-member delegation were honored at a banquet given by All-China Federation of Trade Unions, the China Workers' International Exchange Center and the Chinese Machinery and Metallurgical Workers' Trade Union.

JAPAN'S DIET APPROVES NUCLEAR ENERGY PACT WITH PRC

OW210804 Beijing XINHUA in English 0757 GMT 21 May 86

[Text] Tokyo, May 21 (XINHUA) -- The House of Councilors of Japan today approved the Sino-Japanese agreement on the peaceful use of nuclear energy to pave the way for closer cooperation between the two countries in this field. Effective for a period of 15 years, the agreement will promote the exchange of information, supply of nuclear materials, and cooperation on other matters for the peaceful use of nuclear energy. The agreement was signed by the foreign ministers of the two countries at the fourth governmental conference of the two countries last July. The House of Representatives of Japan approved the agreement last week.

SHANGHAI PAPER ON PREPARATIONS FOR SEOUL GAMES

OW210447 Tokyo KYODO in English 0429 GMT 21 May 86

[Text] Shanghai, May 21 KYODO -- China is preparing for participation in the 1988 Seoul Olympics, a local newspaper reported Tuesday. According to the SHANGHAI LIBERATION DAILY, the Shanghai physical culture and sports committee is addressing itself to training top athletes in preparation for the Seoul Olympics and the 1992 Olympics, the site for which has not yet been decided. While athletes from Shanghai were the largest group within the Chinese team at 1984 Los Angeles Olympics, nobody from Shanghai captured a gold medal, the paper said. The committee will thus employ scientific training methods to do better in the next Olympics as well as conducting intensive training for players in women's judo, which will be taken up as a demonstratrion game in Seoul Olympics, according to the paper. Also, the first city-wide competition in bowling, which will be another demonstration item in the Seoul games, will be held within this month, it added.

DPRK DENOUNCES NAKASONE REMARKS ON KOREAN ISSUE

OW082040 Beijing XINHUA in English 1805 GMT 8 May 86

[Text] Pyongyang, May 8 (XINHUA) -- A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea (DPRK) today denounced Japanese leader Yasuhiro Nakasone's remarks on the Korean issue during the Tokyo Summit of the Seven Industrial Nations. The spokesman characterized the remarks as aimed at "perpetuating the division of Korea" and "increasing war danger" on the Korean peninsula.

According to news reports, Japanese Prime Minister Yasuhiro Nakasone said in a joint press conference at the conclusion of the summit that the summit decided to "support" the North-South dialogue on the Korean peninsula and "make efforts for the creation of an environment" for it. Nakasone added that he believed that "the entry of the North and the South into the United Nations" is "favorable in view of detente." DPRK continues to insists on its consistent position of a peaceful settlement to the Korean issue through dialogue and consultation, according to a report by the KOREAN CENTRAL NEWS AGENCY (KCNA) this evening. The report said the North-South dialogue was suspended because the United States and South Korean authorities staged their largest-scale war rehearsal, the "Team Spirit-86" exercises, despite the objections of the DPRK. The report pointed out that the government of the DPRK and the entire Korean people "will never tolerate the scheme of the splittists at home and abroad to perpetuate the national division but will achieve without fail the independence and peaceful reunification of the country with active support and encouragement of the peace-loving people of the world."

SOUTH KOREA ACCUSED OF SABOTAGING DIALOGUE

OW161132 Beijing XINHUA in English 0952 GMT 16 May 86

[Text] Pyongyang, May 16 (XINHUA) -- The Korean newspaper NODONG SINMUN today condemned the South Korean authorities for creating tenison on the Korean peninsula and for sabotaging the North-South dialogue. In an editorial, the paper attacked a statement by Pak Tong-chin, South Korean "minister of national unification", attributing the lack of progress in the North-South dialogue to the northern side's refusal to "forsake the policy of communist unification" and to the strengthening of political propaganda against South Korea. The editorial rejected the accusations and attributed the breakdown of the North-South talks to recent U.S.-South Korean military exercises. The paper said if South Korea seriously wants dialogue, it should undertake a self-examination of its activities, which run counter to the atmosphere for dialogue. Last year, the North and the South held economic, Red Cross and preparatory parliamentary talks, but these talks were suspended following the U.S.-South Korean "Team-Spirit 86" joint military exercises in February-April this year.

SOUTH KOREANS MARK KWANGJU MASSACRE ANNIVERSARY

OW191104 Beijing XINHUA in English 0956 GMT 19 May 86

[Text] Pyongyang, May 19 (XINHUA) -- Thousands of South Koreans held anti-government demonstrations in the southwestern city of Kwangju during the past few days to mark the sixth anniversary of the Kwangju incident in which at least 200 people were killed and 800 others wounded. According to the KOREAN CENTRAL NEWS AGENCY (KCNA), on May 16, more than 5,000 South Koreans demonstrators including young students held a memorial service for the dead in Kwangju, 272 km south of Seoul. They demanded the Chong Tu-hwan regime should "immediately stop its suppression of the human rights of members of the families of the dead and wounded in the Kwangju massacre." Witnesses said that police arrested nearly 30 demonstrators on that day, KCNA reported.

On May 18, the day when the massacre took place six years ago, more than 3,000 people took to the streets in demonstrations against the regime. They demanded the South Korean rulers should "tell the truth about the Kwangju massacre." Police put the turnout at 10,000 on the main roads leading to the graveyard of those who were killed six years ago, KCNA said. Similar demonstrations were also held in Seoul during the past few days.

SRV ANNOUNCES PARTIAL CAMBODIA WITHDRAWAL

OW211420 Beijing XINHUA in English 1412 GMT 21 May 86

[Text] Hanoi, May 21 (XINHUA) -- Vietnam today announced that it would "withdraw" part of its troops from Kampuchea in the near future. According to a communique of the Vietnamese National Defense Ministry broadcast today over "Voice of Vietnam radio", the Vietnamese troops to be withdrawn from Kampuchea are the Eighth Infantry Division, the 95th Infantry Brigade and the 37th Infantry Regiment of the 98th Corps stationed in border regions of Southwestern Kampuchea. The "partial withdrawal," as the radio called it, is the fifth of its kind announced by Vietnam since 1982. The radio did not indicate the date or the number of troops to quit Kampuchea. Many observers repudiate Vietnamese claims of troops withdrawal, saying that Vietnam had never reduced its military personnel in Kampuchea and instead has merely transferred them or carried out troop rotation.

Troop Withdrawal 'Trick' Noted

HK210212 Beijing RENMIN RIBAO in Chinese 20 May 86 p 6

["Jottings" by Rong Jiu: "Playing the Same Old Trick"]

[Text] Vietnam recently again raised a big fanfare over its "partial troop withdrawal" from Cambodia. Reportedly, the Vietnamese Embassy in Thailand made a great show of being in earnest by telephoning some foreign news agencies in Thailand, expressing "hope" that they would send reporters to cover the "magnificent scene" of the withdrawal of 25 percent of the Vietnamese forces from Cambodia. It really would be "magnificent" scene if 25 percent of the Vietnamese forces, or some 40,000 to 50,000 people, withdrew from Cambodia.

However, the Vietnamese authorities have more than once staged such "troop withdrawal" farces. No matter how they "withdrew" their forces, the number of Vietnamese soldiers in Cambodia did not decrease. In the past two years, people have seen through Vietnam's trick of "partial troop withdrawals." Now the Vietnamese authorities are again staging this clumsy farce. They can only further expose their extremely hypocritical features and make people recall the proverbial donkey in ancient Guizhou that exhaused all its cheap tricks.

If Vietnam were sincere about a troop withdrawal, it could simply accept the 8-point proposal of the Coalition Government of Democratic Kampuchea, because this proposal paves the way for Vietnam's graceful troop withdrawal by stages. However, the Vietnamese authorities flatly rejected this reasonable proposal. This shows that their "troop withdrawal" today only serves the purpose of confusing people.

A senior Thai general is correct in saying that Vietnam's "troop withdrawal" is nothing but an action of relieving the garrison forces. Some soldiers are openly transferred back home, while others are secretly dispatched to Cambodia to take over the garrisons. The number of Vietnam soldiers in Cambodia does not change at all. This remark hits home on the real intention of the Vietnamese authorities!

AUSTRALIA'S HAWKE MEETS HU YAOBANG IN CHENGDU

OW210820 Beijing XINHUA in English 0814 GMT 21 May 86

[Text] Chengdu, May 21 (XINHUA) -- Australian Prime Minister Robert Hawke, Mrs Hawke, and their party arrived here at noon today froim Beijing. They were greeted at the airport by General Secretary of the Chinese Communist Party Central Committee Hu Yaobang, who is now in Chengdu. When Hu visited Australia in April 1985, he was greeted by Hawke in Perth, capital of Western Australia, who specially went there from Canberra and accompanied Hu to visit Western and South Australia.

Governor Jiang Minkuan of Sichuan Province and Mayor Hu Maozhou of Chengdu also met the Australian quests at the airport. After arrival at the airport, Hawke drove to the Jinniu Hotel where he will stay, in the company of Hu, who feted Hawke and other Australian guests at the hotel afterwards. Hu Yaobang left Beijing May 16 and arrived in Chengdu after a four-day inspection tour of Nanguo, a poor mountainous area in Gansu Province.

Tours Various Sites

OW211406 Beijing XINHUA in English 1355 GMT 21 May 86

[Text] Chengdu, May 21 (XINHUA) -- Visiting Australian Prime Minister Robert Hawke, his wife and their party this afternoon visited the Xinxing instruments plant on the eastern outskirts of Chengdu, capital of Sichuan Province, in the company of General Secretary Hu Yaobang of the Chinese Communist Party Central Committee. The plant, a major project during the period of the First Five-Year Plan (1953-1957), produces electronic compouters and other electronic products. It has introduced a multi-layer printed circuit board project from the Australian Printronics, which began to be constructed last June and is at the trial production stage.

After hearing a briefing, Hawke said he applauded the spirit with which Australians and Chinese have worked together to overcome all obstacles to successful completion of a project which represents cooperation in new areas of modern technology. He pointed out, "This is the spirit both the Australian and Chinese Governments encourage, in order to achieve still broader cooperation in the future." While visiting a production line, Hawke talked with some young engineers in the physical chemistry laboratory who had trained in Australia.

Hu Yaobang met Lee Ming Tee, board chairman of the Sunshine Holdings, and Michael Brinsden, general manager of Printronics, during the visit. He agreed with Lee's suggestion for improving quality control. Afterwards, Prime Minister and Mrs Hawke visited a zoo on the outskirts of the city in the company of Sichuan Governor Jiang Minkuan.

The Chinese Government agreed to lend a pair of pandas to be put on display in Australia in January 1988, the 200th anniversary of the founding of Australia. Prime Minister and Mrs Hawke viewed a panda hall at the zoo, where nine pandas aged from eight months to 18 years old are housed. Jiang Minkuan gave a banquet tonight in honor of the Australian guests.

NAVY COMMANDER SUPPORTS THAILAND AGAINST SRV

OW211206 Beijing XINHUA in English 1159 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) --Liu Huaqing, Navy commander of the Chinese People's Liberation Army (PLA), said here today that China will not be looking on if Vietnam dares to invade Thailand. "The Chinese people resolutely stand on the side of Thailand and give their full support to the Thai people in their just struggle against aggression," he added. Liu made these remarks at a banquet welcoming visiting commander of the Royal Thai Navy Admiral Niphon Sirithon here this evening.

Liu said that the Thai Government, upholding justice and safeguarding the norms for handling international relations, has given active support to the Kampuchean patriotic forces in their resistance against foreign aggression. He praised the Thai Armed Forces and people for dealing telling blows at the Vietnamese aggressors during their incursions into Thailand. They have protected the territorial integrity of their country as well as contributed to peace and security in Southeast Asia, he added. He said that the Chinese and Thai navies have increased their contacts along with the continued development of the tradtional friendship between the two countries in recent years.

Niphon said both Thailand and China have a desire to safeguard peace in their countries and the region, and both navies have pursued a policy of safeguarding peace. He expressed his wish to strengthen ties between the two navies and also hoped the visit would benefit the strengthening of friendship between Thailand and China as well as the two navies. Liu presided over ceremony earlier today to welcome the Thai visitors.

HONG KONG FAVORS SOLUTIONS TO TAIWAN PLANE INCIDENT

OW211414 Beijing XINHUA in English 1405 GMT 21 May 86

[Text] Hong Kong, May 21 (XINHUA) -- Newspapers and noted figures in Hong Kong have expressed their appreciation of the agreement reached on the hand-over of the Taiwan Boeing 747 cargo plane yesterday between the Civil Aviation Administration of China (CAAC), and Taiwan's China Airlines (CAL).

Szeto Hwa, a legislative council member, said that the process of resolving the incident showed that the crux of resolving such problems was that the two sides must start contacts by entering into talks. "Only through contacts can one understand the other, and the other's positions and difficuties," he added. The daily newspaper, EXPRESS, said in a commentary that the two aviation services had been on an equal footing since they started discussions May 17. The spirit of mutual understanding and accommodation shown in their discussions created advantageous conditions for breaking the deadlock in their contacts, eliminating their differences and bringing them closer, it said.

A CENTRAL DAILY NEWS commentator summarized the solution of the incident into three significant points.

The first, it said, is that Taiwan had accepted Beijing's proposals and decided to send representatives for discussions. The second is that the two sides kept a "low tone" and did not indulge in any political propaganda. And the last is that Beijing made some concessions in some crucial questions, thus enabling the agreement to be concluded.

PAKISTAN MINISTER MARWAT MEETS ZHAO ZIYANG

OW211400 Beijing XINHUA in English 1336 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- China treasures Sino-Pakistan friendship and will continue its efforts to further develop cooperation with Pakistan in all fields, Premier Zhao Ziyang said here today. It is China's established policy to promote Sino-Pakistan friendly relations, Zhao said. The Chinese Government and people will continue to support Pakistan in its struggle to preserve state sovereignty and national independence.

Zhao made these remarks at a meeting here today with a Pakistan goodwill delegation led by Mir Nawaz Khan Marwat, minister of state for justice and parliamentary affairs, which is here attending celebrations for the 35th anniversary of the establishment of diplomatic relations between the two countries. The main reason that the two countries enjoy such good relations is that they never force their opinions on each other. They trust each other and develop cooperation that has been beneficial to both, he said. The two countries' good relations are a result of long-time efforts by the two governments and peoples, he said. The premier spoke highly of Pakistan President Mohammad Ziaul Haq and Prime Minister Mohammad Junejo for their contributions to Sino-Pakistan friendship.

Marwat said the good relations between the two countries, based on mutual respect and confidence and the five principles of peaceful coexistence, have stood the test of time. Pakistan and China have much in common, he said, among which is a common desire for a peaceful international environment to develop their economies and improve the quality of their people's lives.

Hosts Anniversary Reception

OW211826 Beijing XINHUA in English 1743 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Mir Nawaz Khan Marwat, Pakistan minister of state for justice and parliamentary affairs, gave a reception here tonight, marking the 35th anniversary of the establishment of diplomatic relations between Pakistan and China. Chinese Vice-Premier Qiao Shi was among the guests at the reception.

Speaking on the occasion, Marwat said that relations between the two countries, guided by the principles of peaceful co-existence, have flowered into a mature relationship in modern time over the past 35 years. He pointed out that the two countries are now engaged in mutually beneficial cooperation in the economic, commercial, technical, cultural and defense fields. He noted that the friendship between the two countries and their cooperation in diverse fields is not only in the best interests of the two countries and the two peoples, but also in the interests of peace and stability in the region and the world at large. "Our friendship is based on strict adherence to the United Nations Charter and the principles of peaceful co-existence," he added.

Chinese Vice-Foreign Minister Liu Shuqing said that the all-round development of friendship and cooperation between the two countries in the political, economic, cultural and scientific and technological fields resulted from the joint efforts of the governments and peoples of the two countries. "The Chinese people deeply treasure their friendship with the fraternal Pakistan people," Liu said. "We stand ready to work with our Pakistan friends to bring the existing very good Sino-Pakistani relations to new heights."

FORMER PRIME MINISTER OF BANGLADESH VISITS

Briefed By Wan Li

OW210948 Beijing XINHUA in English 0932 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Chinese Vice-Premier Wan Li met with former Sri Lankan Prime Minister Sirimavo R.D. Bandaranaike and her party here this afternoon. After extending his best regards to Mrs Bandaranaike on behalf of President Li Xiannian, Wan Li said China and Sri Lanka, both developing countries, have been cooperating very well on the basis of the five principles of peaceful coexistence. He briefed the visitors on China's situation in its economic construction, the developments of the Shenzhen Special Economic Zone in recent years and the relevant policies concerning the city. Mrs. Bandaranaike said she was very pleased to visit China as guest of the Chinese People's Institute of Foreign Affairs. She noted that great changes had taken place in China's urban construction and tourist industry since her second visit to China in 1972, and said she was looking forward to visiting Shenzhen.

Meets Deng Yingchao

OW211016 Beijing XINHUA in English 0958 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, met with former Sri Lankan Prime Minister Sirimavo R.D. Bandaranaike and her party today. This is Mrs Bandaranaike's third visit to China. Deng praised Mr and Mrs Bandaranaike for contributing to the establishment of diplomatic relations between China and Sri Lanka. "Mrs Bandaranaike is an old, also good friend of mine, and the warm reception I was accorded during my visit to Sri Lanka in the spring of 1977 remains fresh in my memory." she said, adding that "I am sure that we will continue to be old and good friends. The friendship between the two peoples will continue to grow."

Mrs Bandaranaike also recalled with pleasure the warm hospitality the Chinese Government and peoples as well as the late Premier Zhou Enlai accorded her during her 1962 and 1972 China trips. Deng said: "We still remember that Mrs. Bandaranaike presented the Chinese people with a baby elephant "Mithura" during her 1972 China visit. The elephant is now doing well in Tianjin and popular with visitors."

The meeting was followed by a luncheon Deng gave in her honor. Present on the occasions were president of the Chinese People's Institute of Foreign Affairs Han Nianlong, and Sri Lankan Ambassador to China K.N. Samarasinghe.

FURTHER ON WU XUEQIAN VISIT TO DENMARK

Meets Danish Prime Minister

OW211645 Beijing XINHUA in English 1503 GMT 21 May 86

[Text] Copenhagen, May 21 (XINHUA) -- Visiting Chinese State Councillor and Foreign MInister Wu Xueqian said today that China appreciates Denmark's positive attitude toward Sino-Danish economic cooperation.

He was speaking during a one-hour meeting with Danish Prime Minister Poul Schluter this morning, at which they exchanged views on a number of international issues of common concern.

Schluter recalled his visit to China in March, during which, he said, he had witnessed progress and success of China's economic reforms. He was deeply impressed with the meeting with Chinese leaders and the tour in the country, he added. Wu conveyed the regards from Chinese Premier Zhao Ziyang to Schluter and his wife. Present at the meeting were Danish Foreign Minister Uffe Ellemann-Jensen and Chinese Ambassador to Denmark Chen Luzhi.

The Chinese foreign minister also visited Danish Folketing (parliament) this morning, in the company of its President Svend Jokobsen, who explained to Wu the organization of the Folketing. At a welcoming ceremony following Wu's visit to the Folketing, Jokobsen praised the development of Danish-Chinese relations. The Chinese foreign minister arrived here Tuesday after his visit to Norway.

Meets Danish Foreign Minister

OW211820 Beijing XINHUA in English 1803 GMT 21 May 86

["Substantive Progress Required in U.S. - U.S.S.R., Nuclear Disarmament Talks" -- XINHUA headline]

[Text] Copenhagen, May 21 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and his Danish Counterpart Uffe Ellemann-Jensen today hoped that the nuclear disarmament talks between the United States and the Soviet Union will make substantive progress.

In political talks here, the two ministers discussed various international issues, including East-West relations, disarmament and world peace, on which they shared identical or similar views. The Danish minister informed Wu of the security situation in northern Europe. The two foreign ministers also discussed relations between the two countries and noted that their econonic and trade ties can be further developed.

Chinese ambassador to Denmark Chen Luzhi was presented at the meeting.

Sino-Soviet Relations Viewed

OW220726 Beijing XINHUA in English 0715 GMT 22 May 86

[Text] Copenhagen, May 21 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said today China's policy of opening to the outside world is applicable to all countries including the Soviet Union.

In an interview with Danish reporters, Wu said China and the Soviet Union has made some progress in economic relations and trade in recent years. There also has been some cooperation in technological fields, he said.

But, Wu stressed, no substantial improvement has been made in the political relations because the Soviet Union has dodged discussion on ways to remove the three obstacles: massive concentrations of Soviet troops along the Sino-Soviet border and in Mongolia; Soviet backing of Vietnam in its aggression against Kampuchea; and Soviet armed occupation of Afghanistan.

Sino-Soviet relations cannot be improved until these obstacles are removed, Wu said.

Concerning a settlement of the Kampuchean issue, Wu said Vietnam wants to continue its occupation of Kampuchea by using military force, and is supported by the Soviet Union. Vietnam must commit itself to withdrawing from Kampuchea, leading to a political settlement, he added.

The prospects for cooperation in various fields between China and Denmark is broad, Wu concluded, noting that both nations will work toward expanding cooperation.

AUSTRIAN LEADER PRAISES PRC FOREIGN POLICY

OW211722 Beijing XINHUA in English 1514 GMT 21 May 86

[Text] Vienna, May 21, (XINHUA) -- China's independent foreign policy contributes to world peace, Austrian Chancellor Fred Sinowatz said here today.

During a meeting with the delegation of the Chinese People's Association for Friendship With Foreign Countries at the Federal Chancellery this morning, Sinowatz also expressed satisfaction over the rapid development of cooperation in politics, economy and culture since diplomatic relations were established in 1971 between the two countries.

Sinowatz recalled his visit to China in 1981, which, he said, impressed him deeply. He said he is following closely China's economic reforms and its open door policy.

Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries and head of the Chinese delegation, briefed Sinowatz on China's foreign policy and the economic restructuring. Zhang said he too is satisfied with the development of bilateral relations.

The delegation arrived here on May 18 at the invitation of the Austria-China Friendship Association to celebrate the 15th anniversary of the establishment of diplomatic relations between the two countries and the founding of the Austria-China Friendship Association.

FOREIGN MINISTRY STATEMENT ON SOUTH AFRICAN RAIDS

OW201136 Beijing XINHUA Domestic Service in Chinese 0727 GMT 20 May 86

[Text] Beijing, 20 May (XINHUA) -- A spokesman of the Chinese Foreign Affairs Ministry in a statement issued today condemned South Africa for its armed attack against Botswana, Zimbabwe, and Zambia. The full text of the statement reads as follows:

"On the morning of 19 May, South Africa's Air Force and ground troops outrageously raided the capitals of Botswana, Zimbabwe and Zambia, destroying many buildings and causing casualties. This brutal act by the South African authorities is a gross encroachment on the sovereignty and territories of the three independent states and a willful violation of the UN Charter and the norms governing international relations. It also constitutes a fresh crime against the people of South Africa and the rest of southern Africa. This again proves that the racist policy stubbornly pursued by the South African authorities is the root cause of disrupted peace and instability in southern Africa. The Chinese Government and people have expressed their utmost indignation at and sternly condemned the act of aggression perpetrated by the South African authorities.

"In recent years, the mass movement of the South African people against the racist rule has surged forward vigorously, and the international community has voiced an even stronger demand for the abolition of apartheid in South Africa. The South African authorities' flagrant raids on the three neighboring countries of Botswana, Zimbabwe and Zambia -- in a wild attempt to intimidate them and force them to stop supporting the South African people -- will come to no avail. We are convinced that whatever means the South African authorities may resort to, they can in no way prevent the development of the South African people's just struggle, or stop the African people from supporting the South African people. The South African people are bound to win final victory for their struggle.

"The Chinese Government and people will, as always, resolutely support the South African people in their just struggle against apartheid and for racial equality, and resolutely support Botswana, Zimbabwe, Zambia and other front-line African states in their just struggle to fight against South Africa's aggression and safeguard state sovereignty and territorial integrity."

ACFTU 'STRONGLY' CONDEMNS SOUTH AFRICAN RAIDS

OW201945 Beijing XINHUA in English 1555 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- The All-China Fedration of Trade Unions (ACFTU) today strongly condemned South Africa's attacks on Botswana, Zimbabwe and Zambia Monday as "barbarous aggression." In a message today to the congress of trade unions of the three countries, and the congress of South African trade unions, the ACFTU said, the raids constitute "not only an infringement on the sovereignty of the African countries, but also a blatant violation of international norms."

"These incidents show again that the South African racist regime poses a grave threat to the peace and stability in southern Africa," the message pointed out. The ACFTU also reiterated its firm support for the just struggle of the southern African people against the policy of aggression and apartheid of South African authorities.

HU YAOBANG, TIAN JIYUN INSPECT RURAL GANSU

HK220237 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 21 May 86

[Text] CPC Central Committee General Secretary Hu Yaobang and State Council Vice Premier Tian Jiyun recently inspected agricultural and pastoral areas in Gansu Province. During their inspection, Comrade Hu Yaobang pointed out that the cadres at all levels in poor areas must embrace the indomitable spirit of continuously forging ahead, eliminate the small peasant concept, increase their ability in the course of practice, and lead the masses to advance a bit faster along the road of eliminating poverty and getting rich.

Comrade Hu Yaobang has inspected Gansu Province four times since 1983. General Secretary Hu has now visited all the prefectures, autonomous prefectures, and cities in the province. On 16 May, Hu Yaobang, Tian Jiyun and their party arrived by plane at Hezuo, capital of Gannan Autonomous Prefecture, which lies nearly 3,000 meters above sea-level. They asked with concern about the production and daily life of the Tibetan herdsmen there. He [as heard] said: The problem of meat to eat for the herdsmen has been mainly solved. The outstanding problem now is that there has been no fundamental improvement in housing conditions. Their ox-hair tents are damp and leak when it rains. We should design a light, durable, warm tent that resists dammpness and rain, to solve their housing problem. If these problems cannot be solved in 1 year, they must certainly be solved in 3 or 5.

Hu Yaobang said: In developing township enterprises in the pastoral areas, it is necessary to ensure that processing promotes stockraising and that stockraising promotes grass and the cultivation. No matter what they do, these areas must not become divorced from their own realities.

When Comrade Hu Yaobang inspected Gansu in 1983, he was extremely concerned for the people of Dingxi Prefecture, where natural conditions are relatively poor. He sent members of his party to investigate the prefecture. Moreover, for 2 years in succession he sent them tree seeds he had collected himself. In the past 3 years, the cadres and masses of the prefecture have changed to a different tune; from simply growing grain, they have switched to the road of growing trees and grass and developing animal husbandry, scoring initial success. Destruction of vegetation has basically halted. The shortage of grain, fuel, and grass in the prefecture has improved.

On 18 May, Comrade Hu Yaobang visited Dingxi County, where he personally viewed the greening work and the projects to tame small water courses. When he saw the green mountains and the red cheeked masses, he praised the people of Dingxi for their good work. The same evening, at the request of the comrades of the prefecture, he wrote an inscription on their indomitable spirit.

Vice Premier Tian Jiyun also held that the changes in Dingxi were better than he had imagined.

After listening to reports in Dingxi and Pingliang prefectures, Comrade Hu Yaobang stressed: To lead the masses to eliminate poverty and get rich, it is first necessary to solve problems of the mental state of the cadres.

He said to the cadres of Dingxi Prefecture and County: As you are working in a poor area, you are permitted to stress the difficulties in reports to higher authority. However, you must not pin your main hopes on help and special care from the higher authorities. You should mainly rely on yourselves and base your efforts on establishing soaring ambitions, going deep into reality, and summing up experiences.

Hu Yaobang further pointed out: Going deep into reality and among the masses is the best way to increase ability. If all the leaders from the center down to the localities can do this, our work will make new progress every year.

On arriving in Pingliang Prefecture, he said: Do not simply rely on state support for doing anything. That is a very narrow road. You must rely on your own efforts to get rich through hard work. Party and CYL members and their families must take the lead in this respect. Hu Yaobang also said: When you have identified something that needs doing, you should sweep into action and do it in a thoroughly sound way and produce results; you should not give up halfway.

Hu Yaobang expressed the hope that the rural cadres would eliminate the small peasant concept. He said: There are three major concepts in the rural areas left over from history that are hard to change: 1) belief in gods; 2) the patriarchal concept; and 3) the small peasant concept. While carrying out further reforms in the rural areas, we must pay particular attention to eliminating the small peasant concept. People with this concept are ideologically conservative and narrow-visioned; when a little difficulty or setback occurs in reform, they go back to the old road.

Comrade Hu Yaobang said: It is impossible to issue orders or carry out criticism in order to eliminate the small peasant concept; it is essential to rely on education by persuasion and on typical examples.

Hu Yaobang expressed the hope that the cadres in poor areas would apply the method of going out and inviting people in, to open up new ways and strive to draw in fresh ideas and methods of getting rich. There are three things to be done in eliminating poverty: 1) Train and bring in talented people. 2) Export manpower elsewhere. 3) Get a good grasp of developing the production of indigenous products that have good development prospects.

Tian Jiyun pointed out: It is essential to work hard to train talented people and devise ways of developing industry. You cannot operate in a closed-door fashion; you must open up to the world and invigorate circulation.

The two leading central comrades also personally received in Dingxi four comrades of the central organ lecture group sent to assist the education front in Gansu, and were photographed with them as a momento.

During his stay in Lanzhou, Comrade Hu Yaobang received a number of veteran cadres of Gansu and heard their views on work regarding veterans. Comrades Hu Yaobang and Tian Jiyun listened to a report on urban construction in Lanzhou. Tian Jiyun also inspected the Lanzhou No 1 woolen textile mill and some urban construction sites in the city.

The two central leading comrades were accompanied during their inspection by Lin Hujia, adviser to the Ministry of Agriculture, Animal Husbandry, and Fisheries; Li Ziqi, secretary of the Gansu Provincial CPC Committee; and Hou Zongbin, deputy secretary.

MA DING WRITES ON CHINA'S STUDY OF ECONOMICS

HK180125 Beijing GONGREN RIBAO in Chinese 2 Nov 85 p 3

[Article by Ma Ding [7456 0002]: "Ten Major Changes in China's Economics"]

[Text] The current reform of the economic structure in China is the greatest experiment in the entire history of economics as well as a most profound social revolution in the history of China. Propelled by the deluge of this powerful economic reform, changes have taken place in the study of economics in the following 10 aspects:

1. From Critical Economics to Constructive Economics

Marxist political economy faces completely different historical tasks in different historical periods. When Marx wrote his immortal and monumental work "Das Kapital" a century ago, his main purpose was to study the capitalist mode of production, and the corresponding production, exchnage, and distribution relations, thereby uncovering the objective laws of economic movement governing the advent, growth, and decline of capitalism, and proving that socialism is the inevitable result of the clashes and contradictions between the capitalist productive forces and production relations. It is precisely with the most powerful logical eloquence and undeniable historical facts that "Das Kapital" passed a most relentless historical sentence on capitalist mode of production, and became the most powerful shell bombarding the capitalist system. However, in the 20th century, after socialism has changed from a scientific theory to reality, the main task facing Marxist political economy is no longer to criticize the old capitalist world but to undertake the more strenuous historical task of building a new socialist world. Its study, therefore, must be focused on how to develop the social productive forces and increase national wealth, on economic stability, growth, and development, and on how to make the socialist economy operate smoothly. No ready answers can be found in "Das Kapital" for these questions, because Marx never indulged in Utopian fantasies on future society, but made the most general and abstract forecasts on socialist society based on the condition of the developed capitalist countries in Western Europe. Therefore, when studying problems of socialist economy, Chinese economists must free themselves from Marxist books, and should start not from dogmas but from vivid facts, and found a new branch of economics in building socialism.

2. From Theoretical Explanation of Economic Policies to Scientific Analysis

Doubtless, Marxist political economy has a strong, distinctive class nature and practicality, and it is geared to serve the practice of the proletariat and the people. However, political economy is also a science that correctly reflects the objective laws governing social economic movement; it is not ideology. Therefore, it should not simply and directly become an appendix to a mouthpiece and means of demonstration for the current economic policies, as ideology is. It is by no means easy to come to understand this point, and we have paid bitterly for this for 3 decades.

For a long time in the past, Chinese economists only contented themselves with explaining, elaborating, and justifying the economic policies in force, and never stopped singing the praise of the economic policies. They seldom thought deeply about them, nitpicked or criticized them, or analyzed them scientifically. Is it not true that under such circumstances, one group of economists after another tried to rationalize the indigenous rash advance during the people's commune period, the repudiation of "bourgeois rights" during the "Cultural Revolution," and the foreign rash advance in 1978? Experience has proved that if economists are content with explaining and demonstrating current economic policies, this cannot help the development of the science of economics and will inflict heavy losses on our socialist economic construction. in a socialist society, instead of setting economic science in direct opposition to economic policy, we must integrate the two and use the former as the basis for the latter. To achieve this, we must sincerely carry out the policy of "letting a hundred flowers bloom and a hundred schools of thought contend," so that our economists can freely air their opinions and views and make various suggestions and plans for solving our economic problems. This will help us lay our present economic policies on the solid basis of the science of economics.

3. From Rejecting and Negating Contemporary Western Economics to Analyzing and Using It.

By and large, bourgeois political economy has passed through two stages of development -- classical economics and vulgar economics. Contemporary Western bourgeois economics is but a direct continuation of the traditional vulgar economics and is still, in essence, vulgar and unscientific. This, however, does not mean that it has no rational or valuable parts at all. marx, Engels, and Lenin not only critically assimilated the cream of classical economics but also scientifically made concrete analyses of each school of vulgar economics and affirmed the rational and valuable elements, without negating them wholesale. For a long period of time in the past, however, the ultraleftist political line and traditional conservative ideas have resulted "blindness in the right eye" among Chinese economists. This made us only stress criticizing the vulgar, apologetic, and reactionary features of contemporary bourgeois economics and completely neglect the fact, that it is still, in certain aspects, practical, reasonable, and scientific. Today, in reevaluating contemporary bourgeois economics, we must use the scientific approach which the authors of the Marxist classics adopted towards traditional vulgar economics. In our opinion, as far as the different schools of contemporary Western economics are concerned, the following fruits of their thinking especially should not be ignored: J.M. Keynes' method of macroanalysis and his theory on using a policy of fiscal and monetary expansion to stimulate the active reaction of circulation and consumption on production; the study of the neo-Cambridge school on the interrelations between income distribution and economic growth; the theories of the comprehensive neoclassical school, which stresses combining the analysis of macroeconomic with that of microeconomy and emphasizes the importance of state intervention in economic activities while taking care to make use of the regulatory role of the market mechanism; the analysis made by the neo-laissez faire school on the market mechanism and the harm done by excessive state intervention in economic activities; input-output analysis, linear programming, and other forms of measurement used in metrological economics; the analysis of developmental economics on the duality of the economic structure of developing nations; the analysis and comparison of comparative economics on the economic systems, patterns, and policies of different countries; the theory of appropriate population proposed by population economics based on the study of the relations between population, employment, and the level of productive forces; the critical analysis of neo-system economics on the dual capitalist economic structures (the market structure and planning structure); and the criticism of radical economics on the capitalist economic system and such social malpractices as racial discrimination and sex discrimination (refer to Wang Shenzhi: "Different Schools of Contemporary Economics".)

To criticize, analyze and use the results of the above-mentioned Western economic theories in a scientific way is definitely of important theoretical and practical significance for enriching Marxist economics and building socialism with Chinese characteristics.

4. From Studying Relations of Production to Studying Productive Forces as Well as the Interaction Between Productive Forces and Production Relations.

Productive forces and the relations of production are two inseparable aspects of social production. Without understanding the nature and the level of development of the productive forces in a certain historical period, it is impossible to have full understanding of that period's whole system of relations of production. Precisely for this reason, while studying the capitalist relations of production, the authors of the Marxist classics never viewed them as abstract or isolated, and never brushed productive forces aside. For a long time, in the study of political economy, our economists concentrated on the abstract, isolated, and one-sided examination of the relations of production to the neglect of the productive forces. This not only made the productive forces an "abandoned baby" in the science of economics but also made the path in the studies of political economy narrower and narrower and eventually led our studies of political economy into a blind alley. In our opinion, society is a complicated, gigantic system in motion, consisting of three sub-systems, namely, political, and cultural. In the sub-system of social economy (production), it again consists of three sub-systems its own, namely, productive forces and production relations. Thus, in the course of social economic notion, economic laws of three categories are functioning: First, the law governing the movement of productive forces; second, the law governing the movement of production relations; and third, the law governing the contradictions in the interaction between productive forces and production relations. Traditional political economics concentrates on the study of laws of the second category to the entire neglect of the first and third categories, especially the laws governing the economic operation of the productive forces. We have failed to see, for 3 decades, the stark fact of the backward level of productive forces of Chinese society, while doing our utmost to stress the revolution in production relations. This reflects the good subjective wish of the Chinese people, beset with disasters, to rid themselves of poverty and backwardness in a hurry, and to make a swift transition to the wonderful communist society; and is also linked to mistake of concentrating on the abstract study of production relations and neglecting productive forces in the study of economics. In recent years, people have made extensive studies of the laws governing the economic operation of the productive forces (including the law of saving labor time, the law governing the constant rise in labor poroductivity, and the law of the proportionate development of the various branches of the national economy,) and a new branch of learning -- productive forces economics -- has come into being.

But the law governing the movement of the contradictions between the social productive forces and production relations in socialist society and the interaction between the two has not received adequate stress, and profound studies are still required.

5. From a General Study of Economic Relations to Concrete Analysis of Economic Operation Mechanism

Since socialist economic relations have inseparable links with the socialist economic operation mechanism, the study of political economy must not only include the social relations of production but also the operation mechanism of social economy. Economic operation mechanism was for a long time the weakest and most neglected link in our study of economics. Chinese economists used to study the socialist relations of production from only three aspects -- ownership, exchange and distribution -- in an abstract, general and static way. They failed to make concrete, deep and dynamic studies of the socialist relations of production from the angle of economic operation mechanism. Practice has proven that if we fail to have a clear idea on the economic operation mechanism, we are unable to gain a comprehensive, correct understanding of the relations of production or to come up with effective countermeasures to the various problems which arise in the course of operation. Therefore, we should at present study not only the planning and market mechanism in the socialist economic operation, but also the economic operation mechanism (a combination of planning and market mechanism) characteristic of China's "planned commodity economy" as well as the different kinds of economic levers (price, taxation and credit) and economic incentives (wage, subsidy, and bonus) in the course of economic operation. Only then will it be possible for us to perfect and complete 1) the entire national economic operation mechanism macroeconomically; 2) the economic operation mechanism of the departments from the median angle; and 3) the economic operation of enterprises microeconomically.

6. From Qualitative to Quantitative Analysis of the Economy

Quality and quantity are the two inseparable aspects of things; economic relations of any kind form an organic unity of quality and quality. For correct and accurate handling of economic relations, it is therefore necessary to combine qualitative analysis with quantitative analysis. In "Das Kapital," Marx' analysis of the economic relations (value, surplus, value, wages, profit, average profit, production price, interest and rent) in capitalist society set us a fine example of combining qualitative analysis with quantitative analysis. However, Chinese economists on the contrary have discarded this fine tradition of Marx in making theoretical analyses over the three decades and more since the founding of the PRC. While criticizing the mistake of bourgeois economists (from William Petty, pioneer of classical economics, to Paul A. Samuelson, representative of mainstream post-keynes economics) in stressing quantitative analysis to the neglect of qualitative analysis, we went to the other extreme of one-sidedly stressing qualitative analysis while neglecting or even discarding quantitative analysis. The lack of quantitative analysis in economic relations turned our qualitative study into abstract, empty commentary, and it fell into the quagmire of metaphysics. The result was, theoretically, we were unable to found Marxist economic metrologics, and practically, our economists were rendered incapable of gaining an accurate understanding of conditions throughout the country and were therefore unable to provide solutions to the important problems which arose in our everyday lives.

In fact, some theoretical problems of the greatest importance in our socialist economic construction, such as the proportion between the three major departments of the national economy, agriculture, light industry and heavy industry; the proportion between the means of production and the means of subsistence, the two major components of social reproduction; accumulation and consumption; growth rate and economic results; and the overall balance of the national economy, need not only qualitative study but especially, quantitative study. Only in this way can we make socialist political economy more and more accurate, practical, and complete. Marx once pointed out that a science could not reach a very high level unless it had successfully employed mathematics. Fortunately in recent years Chinese economic theoretical workers, particularly economists engaged in practical work, have realized the necessity of making quantitative studies of economic relations. Premier Zhao Ziyang said in 1982 that in the future, the State Council would not discuss documents sent in by economic departments if they presented only qualitative analysis but no quantitative information.

7. From Theoretical to Applied Economics

Reviewing the history of our studies of socialist political economy since the founding of the PRC, we may conclude with certainty that our whole study has centered on theoretical economics, and even now the serious deviation of stressing theory to the neglect of application has not been thoroughly corrected in the study of economics. In our view, the starting point and the end-result of our study of socialist economics should center on end-result of our study of socialist economics should center on applied economics. The study of socialist theoretical economics is not the end itself; it should, ultimately, serve applied economics, while the study of applied economics should supply information and data to research in theoretical economics. Without research in appplied economics, theoretical economics would become a rootless tree and a sourceless fountain, and its study could never deepen. Neglecting the study of applied economics cannot help advance socialist economic construction one iota but will only impede it. Now we must shift our focus of study from theoretical to applied economics. First of all, we must strengthen the study of different departmental economics, such as of industrial, agricultural, commercial, transportation, construction, and labor economics, and of national economic planning. Second, we must strengthen the study of different kinds of peripheral economics, such as social, demographic, educational, geographical, tourism, public health, physical culture, military, and information economics. Third, we msut strengthen in particular the study of technology economics, since it is of the greatest practical significance but is still the weakest link in our study of applied economics. The study of technology economics is divided into macro and micro studies. The former investigates our country's production set-up, product mix, technology structure, and regional economic structure, while the latter studies the ideal size of an enterprise and the rational organization of its productive forces.

8. From Microeconomy to Macroeconomy, From Short-Term Planning to the Study of Long-Range Strategy

Here we are discussing the problem of laying particular emphasis on research into socialist economics from two different angles -- space and time. For a long time in the past, our economic study stressed microeconomy and paid relatively little attention to macroeconomy. Our macreoconomy was regulated mainly by relying on mandatory plans and administrative measures by state organizations. Therefore, insufficient as it was, our study in macroeconomy was restricted to the administrative measures adopted by the state in regulating the macroeconomy.

Currently, China's economic structure is undergoing a change from an old pattern to the new. The product-type economy (with the state allocating all the products) under a mandatory plan is being turned into a planned commodity-type economy and, along with this, the means of regulating the macroeconomy are being changed from administrative to economic (price, taxation, credit and loans). This calls from strengthening our study of the macroeconomy. It is all the more urgent now because of the superhigh speed at which the national economy has grown in recent years. This has rapidly swelled the need for investment and consumption, giving rise to problems of investment-starvation, a premature consumer craze, serious price fluctuations, market shortages, and overextended bank credit. Under such circumstances, when stressing invigorating the economy microscopically, we must all the more strengthen our efforts to achieve stronger control and better regulation over the national economy through macroeconomic means, in order to bring the whole national economy into a benign cycle. To achieve this, research in the marcoeconomy must be strengthened.

After World War II, the major capitalist countries attached great importance to the study of strategy for economic development -- a crucial problem which we have neglected. In the more than three decades since the founding of the PRC, we have drawn up only short-term (annual) plans and medium-range (5-year) plans, but have failed to project a long-range plan (a 10 or even 20-year economic development strategy). It was not until 1979 that Chinese economists began to take up the study of economic development strategy. The 12th CPC National Congress in 1982 formally laid down the strategy for China's economic development over the 2 decades between 1981 and the end of this century; that is, "while steadily working for better and more economic results, to quadruple the gross annual value of industrial and agricultural production." Currently, we must make further studies. We must indentify the implications of this strategy, the measures for reaching its target, the criteria for evaluating the strategic target, the relations between overall economic strategy and regional economic strategies, between economic strategy and the strategy for social and cultural development, and connection between the new world technological revolution and our own economic development strategy, so as to make our strategic system for economic development more scientific and consummate.

9. From Isolated, Unidirectional Study of Economics to Comprehensive, Multiscientific Social Economic Studies

Society itself is a complicated system composed of a multitude of factors. Within this system the different factors depend on and restrict each other's development. Needless to say, the economy is not the only factor mechanically functioning in this social system. Therefore, economists should not let themselves be bogged down in the mire of "economic materialism," and still less should they repeat the error of the "theory that technology decides everything." This means that they should "get rid of" the conventional concept of "making a fetish of gross national output" while neglecting the quality of life. Our economists must consider not only the social effects brought about by economic growth but also the influence of social environment and other social factors on economic development.

All this requires that, when studying economic problems, economists go far beyond the bounds of economics itself and undertake comprehensive and overall study of economic questions within the framework of the social system. They should study all the social factors related to economic activities, such as culture and education, medical services and public health, science and technology, environmental pollution, the use of natural resources, energy and transportation, and the tertiary industries. Because the study of economics exceeds the realm of pure economics itself, it should be linked with other branches of science, and absorb the research results and methods in other branches of science, the modern theories and methods of modern systems analysis, cybernetics, and information in particular. Only then will it be possible to conduct efficient social, comprehensive and three-dimensional research on the economy, in order that all factors (economic, political, cultural and psychological) of the entire society will make progress in harmony.

10. From a Linear Knowledge Structure to a Multiple Knowledge Structure

All economists must acquire basic knowledge of theory, history and statistics, the three tools for analyzing economic problems. "The difference between an economist and those people who have thought about, talked and written on economic issues lie in the fact that the former masters three branches of basic knowledge: history, statistics and theory. These three branches of learning put together will form into what we call economic analysis." Theory is the most important of these three analytical instruments, since historical and statistical data themselves "cannot talk," and must be explained by theory. To an economist, the mere mastery of certain theoretical knowledge is not enough for analyzing and grasping complicated phenomena of social economy; he must acquire a certain knwledge of history and statistics. Currently, the structure of knowledge among Chinese economists is seriously lop-sided. Many economists have basically acquired a systematic theoretical knowledge of Marxist economics but are extremely lacking in knowledge of history and statistics. In order to accurately grasp the actual conditions of Chinese society and to solve the most difficult and urgent problems raised in socialist economic construction, Chinese economists must make a strategic readjustment of their knowledge structure, and exert greater efforts in their studies and research in history and statistics, so as to fundamentally change the existing abnormal knowledge structure, and turn the one-sided, single-theory type knowledge structure into a comprehensive, three-dimensional, compound knowledge structure.

In discussing the knowledge structure of China's present-day economists, we are even more concerned about China's future economists. If it is rather difficult to change the knowledge structure of the present-day economists, it will be still more difficult to change the knowledge structure of the future economists. This is because not only will the abnormal traditional curriculum which has remained unchanged over the past 3 decades continue to exert its effects, but in addition, through the medium of teaching and research, the abnormal knowledge structure of present-day economists will pass on to future economists.

Therefore, without changing the abnormal knowledge structure of the present-day economists, and without changing the abnormal curriculum in the present teaching of economics in China, it will be impossible for us to train world-ranking Chinese economists and for our future economists to take up the historical mission assigned them by the times. Therefore, when we stress that present-day Chinese economists should make a strategic readjustment of their own knowledge structure, particular stress should be made on making a strategic readjustment of the structure of the curriculum in the teaching of economics in China. While continuing to attach importance to the teaching of Marxist theory of economics, we must pay particular attention to quality (the allocation of teachers) and quantity (study hours) and the teaching of history (Chinese economics, Chinese economic theory, foreign ecnomics, and foreign economic theory) as well as statistics (theoretical statistics, economic statistics, and mathematical statistics). Only then will it be possible to train future economists with a three-dimensional and compound knowledge structure, who have a good mastery of theory, history, and statistics.

Conclusion: The research of contemporary Chinese economics is undergoing a basic change, which Chinese economists must complete.

PART II OF LIAOWANG ARTICLE ON TECHNOLOGICAL IMPORTS

HK220211 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 19, 12 May 86 pp 18-19

[Article by Cao Jiarui: "China's Technological Imports -- Present Status and Problems (Part II)"]

[Text] Technological Import Is Not the Only Means of Technological Innovation

In order to realize the long-term objective of China's economic development, we must rely on the necessary "extensive" construction as well as widespread "intensive" transformation. The great significance and role of the technological transformation of existing enterprises has been generally acknowledged by the people today. If an enterprise cannot seek sustained technological progress through frequent technological innovations, thus achieve the best results with the least investment and enable its products to meet social demands quantitatively and qualitatively, the value of its existence will be questionable and it will be at the verge of extinction. Therefore, technological innovation is the lifeline of enterprises.

The import of advanced foreign technology, though an important factor, is not the only one for technological innovation. However, if imported technology is properly applied, it may resuscitate an enterprise from its doom. There was a collective owned enterprise in a certain city producing aluminium capacitors which was at the edge of bankruptcy due to its backward technology, outdated equipment, inferior product quality, high product costs, unsalable products, and deficits incurred every year. When the leaders of the enterprise could no longer get a financial allocation from the government departments, he made up his mind to apply bank loans to revamp the enterprise by means of importing advanced technology and equipment and selling the products to foreign customers. Obtaining a loan is different from getting a financial allocation, because you have to repay the principal with interest. In order to import advanced technology from a foreign client and sell the products manufactured with such technology to the same client, it is necessary to import technology at a low price and sell the products at a high price.

The leader of the enterprise turned pressure into action and called on the staff members and workers of the enterprise to accomplish the tasks of technological assimilation, equipment installation, and trial-manufacture qualitatively with high speed. As a result, production and products of the enterprise took an entirely new look in less than a year. Besides making up the deficits, profits of the enterprise rose remarkably and the principal and interest of the loan were cleared within a short period. However, if imported technology is not properly applied, it may lead to appalling waste and even become a burden of the state and society. During the mid 1970's, the state planned to import engine technology of a certain category which involved several items. Several hundred million U.S. dollars were spent to import technology, equipment, and dozens of "sample machines." But where the engine should be used remained an unsolved question for a long time. Naturally, the technology and equipment imported will not be left unused or become waste material, because they can be used for other purposes. Nevertheless, the expected objective was not realized. Time elapsed, but we failed to make the most of the large amount of funds invested so we could only regard these as unsuccessful projects.

Similar cases are not rare. Regarding the technological projects imported according to the state plan, it is strange that progress has been slow, management thrown into confusion, and that waste is appalling. In a chemical fiber project built during the mid and late 1970's, an extra amount of tens of millions of U.S. dollars was used in merely employing foreign experts. According to a findings report, the analysis of more than 30 major projects imported during the 1970's showed that only one-third completed construction on schedule, started operation at full capacity, and achieved better results after starting operation. Another findings report on large and medium-sized projects imported from 1980 to 1982 indicated that the economic results of six out of the nine projects were extremely poor.

What Is the Motive Behind Importing Technology?

The reasons for these problems are probably complicated. As the problems are not exceptional and accidental, it gives rise to a following question: What is the motive behind China's import of technology?

Technological import is one of the means of technological innovation so we should first find out the motives behind technological innovation.

According to a report by the World Bank, an investigation made from 1953 to 1973 on the source of technological innovation in the United States indicated that 80 percent of the new technological innovation thinking came from within enterprises, of which three-fourths came from the production departments within these enterprises. The technological innovation thinking from universities and government research institutions accounted for only 5 percent. According to the same report, an investigation conducted in Europe indicated that over 70 percent of the new technological innovation thinking came from within enterprises, of which the rate of success of the new thinking of the people engaged in commerce was higher than that of technological personnel, the former being 55 percent, while the latter, 26 percent. As a result, the report of the World Bank drew the following conclusion: Market feedback is the vital source of the new technological innovation thinking.

The conclusion of the World Bank's report was drawn from the experience of the developed capitalist countries which practiced a market economy. As China is a developing socialist country which practices a planned economy, why shouldn't we substitute a planned arrangement for market feedback so as to promote technological innovation?

We should admit that within a certain range and conditions, especially for the sake of tackling some specific technical problems, it is indeed effective to rely on planned arrangements to concentrate forces and breakthrough major problems. The fact that China developed its nuclear industry and man-made satellites without foreign aid has evidently proved this point. Nevertheless, we should also be aware of China's reality: While certain sophisticated technologies have advanced by leaps and bounds, there are still large numbers of examples like the Jiefang brand truck which has remained unchanged for 20 years. According to another findings report, only 20 percent of China's current (early 1980's) industrial technology can approach the international level of the 1960's and 1970's, 20 to 25 percent is backward but can still be used, and 55 to 60 percent should be eliminated and updated. Although the research results of the numerous research institutes and units in China are valuable, only 10 to 30 percent are applied in industrial production. The progress of China's industrial technological innovation is desperately slow. Therefore, we cannot effectively promote technological innovation by merely relying on planned arrangement. The reasons are:

Planned Arrangement Cannot Universally Promote Technological Innovation

1. The majority of China's productive enterprises do not have direct contacts with the market because their products are distributed and allocated by the material departments in a unified way or purchased by the commercial departments;

2. The supply of a number of products fell short of demand and products of inferior quality were even sold at high prices;

3. Certain departments and localities adopted administrative means to protect their backward enterprises and products;

4. The productive enterprises dared not carry out technological innovation before fulfilling the planned quotas; and

5. With limited power in controlling the funds, enterprises could not allocate funds oin their own initiative to carry out technological innovation.

Although the reform of the economic structure has already started, these problems still exist in large numbers.

Strictly speaking, it is extremely difficult for enterprises to genuinely have the incentive for technological innovation and import under China's prevailing economic system. Having no incentive for technological import is not tantamount to having no interest or desire for technological import.

As a matter of fact, if the government departments at a higher level make arrangements, asssign tasks, allocate funds, and provide foreign exchange, enterprises are always willing to or may even strive to undertake the technological import tasks, except for the fourth and fifth reasons mentioned previously. It was precisely under such circumstances that the import of technology increased in recent years. However, the first and second reasons still exist. To this end, generally speaking, the large scale of China's current technological import reflects the will of the high level government departments or officials rather than the market reality and latent needs. This is because the high-level government departments and officials have the right to examine and approve projects, funds, and foreign exchange. The crux of the question is that enterporises lack market feedback, and the high-level government departments and officials are removed froim the market. The barriers created between departments and regions in the structure, the tendency of establishing a self-sufficient, all-round system in the guiding ideology, overcentralization of power by the government departments at various levels, a mechanism that lacks market feedback, and methods that lack scientific market research and forecasting are the fundamental reasons leading to confusion, mistakes, and the lack of strategic plans in China's current import of advanced technology. The problem is conspicuously manifested in the import of duplicate projects and decentralization in dealing with foreign clients.

The import of duplicate, "popular" technology including refrigerators, washing machines, and television production lines, and the harm caused by this have now been generally acknowledged. The government has adopted a series of measures to curb the tendency. The industrial departments at the central level especially gave full play to the role of centralized management, adopted the method of selecting the best items through appraisal to prevent or correct the excessive imports of duplicate projects, and achieved initial results. These measures and methods will probably be effective. But the issue is that these departments are capable of selecting the best products of certain categories through appraisal, but cannot handle the products of all categories. Viewed from the current state of affairs, this is the only feasible, good method. Froim a long-term point of view, it may not be the method for fundamentally solving the problems.

Economic development has its law of expression. Similarly, technological innovation and technological import also have their objective laws. In order to carry out the work of importing technology in a planned and orderly manner with the focus on priorities, the key is to conform to its objective law. Regaining control, direct government intervention, and strict, centralized control and command will not necessarily be the correct direction. The correct direction should be: In connection with the reform of the economic structure, gradually establish comprehensive management based on micro-flexibility. This is the topic to be discussed in the next article. (to be continued)

LI PENG INSPECTS GUANGDONG NUCLEAR POWER PLANT

OW220646 Beijing XINHUA Domestic Service in Chinese 1627 GMT 21 May 86

[By reporter He Yunhua]

[Text] Shenzhen, 21 May (XINHUA) -- Li Peng made a special trip to inspect the site of the Dayawan Nuclear Power Station now under construction in Guangdong Providence.

Afterward, the vice premier of the State Council asked officials and workers there to always observe the principle of giving top priority to both safety and quality. He urged them to assume a very serious attitude and adopt more effective measures to ensure safety at the nuclear power station.

Vice Premier Li Peng and his party this morning visited the Guangdong Nuclear Power Cooperative Co., Ltd., located in Shenzhen, and talked to some Chinese and foreign engineering experts and managerial cadres there. Touching on the lessons to be learned from the major incident at the Soviet Chernobyl Nuclear Power Plant, he said that the incident has aroused deep concern in various circles. We should draw maximum lessons from the incident and always observe the principle of giving top priority to both safety and quality in the current construction as well as in future operation of nuclear power stations. We should never lower our vigilance and become careless, although the pressurized water reactors to be installed at the Guangdong nuclear power station are technologically more advanced and safer than the equipment of the Soviet Chernobyl Nuclear Power Plant.

Li Peng then discussed the following five safety measures:

-- The State Nuclear Safety Bureau has already been established under the State Council to take charge of drafting relevant rules and regulations and deciding on standards for the peaceful use of nuclear energy in China and to supervise their enforcement. Currently, the bureau should concentrate on efforts to ensure the design and construction quality of the Qinshan and Guangdong nuclear power stations now under construction. To this end, the State Nuclear Safety Bureau will set up safety supervision centers in the Qinshan and Dayawan areas.

-- The safety standards of the Guangdong nuclear power station has been guaranteed. The nuclear island [The dao 2702 1497] equipment to be imported from France has relatively high sophistication and rich experience in production and operation. Therefore, in principle, we will adopt French safety standards while referring to international standards for possible revisions.

-- A scientific management system must be established to ensure the construction quality of nuclear power stations. Construction speed should be ensured on the preconditon that quality is guaranteed. When speed and quality conflict, quality should be the primary consideration. Cooperative companies should strictly observe this guiding principle.

-- Training of skilled technicians is the key to ensuring the safety of future operations or nuclear power stations. Special attention should be given to training frontline operational personnel. The Ministry of Nuclear Industry and the Ministry of Water Resources and Electric Power should select the backbone of technicians for nuclear power stations from among personnel currently working at reactors and large thermal power plants who have high political consciousness and rich experience. At the same time, the ministries should recruit young college graduates as the main force for nuclear power stations and provide them with necessary training.

-- China is willing to learn from advanced foreign experience in building and operating nuclear power stations and welcomes and supports international technical cooperation and information exchanges in the safety control of nuclear power stations.

After arriving at Shenzhen at noon on 19 May, Vice Premier Li and his party heard briefings on the Guangdong nuclear power station in the afternoon and evening. They inspected the construction site of the Dayawan Nuclear Power Station the next morning. Vice Premier Li asked for details on the progress in the first-stage construction and expressed satisfaction with the progress achieved over the past year or so.

Nuclear Safety Stressed

OW211709 Beijing XINHUA in English 1453 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- China's nuclear energy development will enter a new period of practical usage during the Seventh Five-Year Plan period (1986-90) and will gradually become the country's second primary energy source, a Chinese nuclear industry official said here today.

Chen Zhaoming, vice-minister of nuclear industry, stressed in an exclusive interview with XINHUA that China's nuclear energy will be developed under the principle of safety first and quality first.

He revealed that the first phase of the China-designed and built Qinshan nuclear power plant in Zhejiang Province, which consists of the installation of a 300,000-kilowatt nuclear reactor, will be completed and begin to generate electricity in 1989.

The second phase of the Qinshan power plant, which consists of the installation of two 600,000-kw nuclear reactors, and the construction of the Dayawan nuclear power plant in Quangdong Province where two 900,000-kw reactors will be installed, will also start during the Seventh Five-Year Plan period.

Upon commission, he said, these two power plants will give an additional electricity generating capacity of 3.3 million kilowatts and are expected to produce 20 billion kwh of electricity a year.

"This will help ease China's energy strain and contribute to the economic development of the eastern part of the country," Chen said.

He added that China will learn from other countries' experience in developing nuclear energy and will adopt the pressurized water reactor system in its nuclear power plants.

He said that his ministry will strengthen its work on nuclear safety measures and standardization, ensure quality in the manufacture and installation of equipment and plant construction as well as training of power plant workers so as to make sure that no nuclear accidents occur.

The vice-minister also revealed that the departments concerned are designing and experimenting with heat-supply systems fueled by nuclear energy and will try to build a heat-supplying plant during the Seventh Five-Year Plan period.

At the same time, the ministry will speed up research work on isotopes, electronics and electrical machinery to contribute more to the development of the national economy.

CHEN GUANGYI ASSUMES OFFICE AS FUJIAN CPC SECRETARY

HK200901 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 19, 12 May 86 pp 6-7

[Article by Xu Yiming: "After the New Fujian Provincial Party Secretary Chen Guangyi Assumed Office"]

[Excerpts] On 10 March, there was a reshuffle of the major leadership of the Fujian Provincial CPC Committee -- Chen Guangyi, 52, replaced Xiang Nan and assumed office as secretary of the Fujian Provincial CPC Committee. This has had quite a large impact on Fujian's political life. People have been guessing and discussing the question of how this new secretary plans to create a new situation in Fujian.

During the more than 40 days since Chen Guangyi assumed office, this writer has had the honor of interviewing him several times, and in particular, of following him in his more than 20 days of the investigations in mountainous areas. Therefore, I have been able to get answers to many questions.

Pool the Wisdom and Efforts of All People for the Construction of Their Homeland.

Chen Guangyi, a native of Futian, Fujian, was born in 1933. He graduated from Dongbei Engineering College in 1953 and is one of the first generation of college graduates and and engineers trained after the liberation of China. He successively held the posts of technician at the design office of the Nonferrous Metallurgical Industry Bureau of the Ministry of Metallurgical Industry, head of the design department of the Silver Nonferrous Metals Corporation of the Beijing General Nonferrous Metals Design Institute, vice chairman of the Gansu Provincial Planning Committee, deputy secretary of the Gansu Provincial CPC Committee, and governor of Gansu Province. At the National Conference of Party Delegates in 1985, he was elected a member of the CPC Central Committee.

On the evening of 12 March, Chen Guangyi made his first public appearance as first secretary of the Fujian Provincial CPC Committee. Accompanied by Xiang Nan, former secretary of the Fujian Provincial CPC Committe and Governor Hu Ping, he attended a tea party at Xihu Guesthouse, which was attneded by major officials of the Fujian Provincial CPC Comittee, the provincial government, the provincial People's Congress, the provincial CPPCC Committee, the provincial CPC Advisory Commission, and the provincial CPC Discipline Inspection Commission.

At the tea party, Chen Guangyi gave a short but very enthusiastic speech with a slight Futian accent. He said that this time the CPC Central Committee decided to transfer him to a post in Fujian. As a native of Fujian, he felt very happy to be able to work together with all those present to develop the homeland where he grew up. Since he has worked for a long time in northwest China, he is not familiar with developments in Fujian. Therefore, he sincerely hoped that all people would pool their wisdom and efforts to do a good job in developing their homeland. He also said that like fallen leaves returning to the earth, the CPC Central Committee allowed him to return to work in Fujian.

He said that he was determined to put down roots in Fujian and make years of effort in order to build Fujian well.

The Seventh 5-Year Plan has just begun. During the Sixth 5-year Plan period Xiang Nan was in charge of the Provincial CPC Committee work and scored very great achievements. Now, we should consider the task of consolidating and developing the current very satisfactory situation in Fujian through our efforts. In a word, we should make Fujian even more prosperous and developed and make its people even richer and happier.

At the party, Chen Guangyi stressed that the first priority task for Fujian was to maintain unity and stability and to blaze new trails and forge ahead. We should unite even better with Overseas Chinese abroad and Hong Kong and Macao compatriots, satisfactorily develope Fujian together with them, with one heart and mind, and very successfully carry out the policies of opening up and reform in Fujian.

We Should First Focus Our Attention on Opening Up to the Outside World

On the day after he made his first public appearance, accompanied by Xiang Nan, Chen Guangyi went to Xiamen, Zhangzhou, Quanzhou and Futian cities to familiarize himself with the situation and programs in the economic development of coastal areas.

Leadership Means Service

In a short period of just over 40 days, Chen Guangyi has toured most countries and cities in Fujian. He said: Leadership means providing good service. "We should make efforts centered on 'service' and work hard, quietly, and wholeheartedly with dedication for the economic prosperity of Fujian, and for the rich and happy livelihood of the Fujian people."

On 19 March, Chen Guangyi went to his hometown, Futian City. He made an obeisance by cupping one hand in the other in front of his chest to the top officials of the city and said: "I have one thing to ask from you. I am a Futian native. I hope that the city CPC Committee treats my relatives, friends, and schoolmates according to the party's principles and policies just as it did in the past and refrains from giving them privilege, conducting favoritism toward them or helping them to pursue private ends using their influence. We are the party's cadres and the people's public servants. We should not violate the policies for our relatives, friends or schoolmates. But we should always require ourselves to observe the principle of party spirit in dealing with all things and do our utmost to make Fujian prosperous!"

SHANDONG ELECTS THREE VICE GOVERNORS 19 MAY

HK200813 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1607 GMT 19 May 86

[Text] Jinan, 19 May (ZHONGGUO XINWEN SHE) -- At the Fourth Session of the Sixth Shandong Provincial People's Congress which closed today, Li Ye [2621 8518], secretary of the CPC Committee of Shandong's Shengli Oil field, Ma Zhongchen [7456 1813 5256], secretary of Taian City CPC Committee, and Tang Qinglian [6223 1987 8834], vice mayor of Jinan City, were elected vice governors. All three vice governors are under the age of 50. They are not only of a relatively high educational background, but have also done practical work for a long time.

GUANGDONG REVISES FAMILY PLANNING REGULATIONS

HK190241 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 17 May 86

[Text] The 20th meeting of the 6th Guangdong Provincial People's Congress Standing Committee which concluded today discussed and approved a draft resolution on a number of regulations on revising the provincial family planning rules. This draft resolution revises the current rules to some extent and sets out the revisions in legal form.

The revised provincial family planning rules advocate and encourage late marriage and child-bearing and strictly ban the birth of a third child or of a second child that is not covered by the plan. If an urban couple with only one child want a second, they should make an application, and arrangements can be made for them to have a second child in accordance with five special cases, with the approval of the family planning departments at and above county-level and in line with the population plan target and the interval between births.

The draft resolution advocates that rural couples have only one child. If a couple wants a second child, this must be dealt with and rational arrangements made by the township government in accordance with the population plan target and the interval. The interval between births must be at least 4 years.

If one of the parties in a marriage is a state cadre, a worker, or an urban resident, and the spouse is a peasant, the draft resolution stipulates that the arrangements follow the family planning regulations of the wife's place of household registration.

The draft also makes some amendments to the original regulations on family planning for remarried couples, minority nationalities, returned Overseas Chinese, dependents of Chinese living abroad, and the mobile population, on preferential treatment and rewards for having only one child, and on punishment for violators of family planning regulations.

HUBEI CONGRESS ELECTS NEW PROVINCIAL LEADERS

OW171833 Beijing XINHUA Domestic Service in Chinese 1345 GMT 17 May 86

[Text] Wuhan, 17 May (XINHUA) -- The Fourth Session of the Sixth Hubei Provincial People's Congress, which closed today, elected Huang Zhizhen chairman and Tian Ying, Wang Ruisheng, and Huang Zhengxia [7806 2973 1115] vice chairmen of its Standing Committee. The session also decided to make Guo Zhenqian governor of Hubei Province and Han Nanpeng [7281 0589 7720] vice governor. Earlier, the session had accepted Han Ningfu's resignation as chairman of the Standing Committee of the provincial People's Congress and the resignations of Zhang Xiulong and Lin Musen as vice chairmen.

Guo Zhenqian Elected Governor

OW171205 Beijing XINHUA in English 1158 GMT 17 May 86

[Text] Wuhan, May 17 (XINHUA) -- Guo Zhenqian, an expert of finance and trade, was elected governor of Hubei Province today at the 4th session of the 6th provincial People's Congress here. Guo, 54, graduated from the trade department of People's University in Beijing in 1954. He had been acting governor of the province and director of the Hubei branch of the People's Construction Bank of China before the election.

SHENZHEN FORMULATES NEW TAX, EXEMPTION REGULATIONS

HK200711 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1605 GMT 19 May 86

["Shenzhen Formulates New Regulations on Tax Exemption, Remission for Foreign Enterprises, Joint Ventures" -- ZHONGGUO XINWEN SHE headline"]

[Text] Shenzhen, 19 May (ZHONGGUO XINWEN SHE) -- This reporter [not further identified] has learned from the Shenzhen City Government that in order to further promote the development of Shenzhen Special Zone's export-oriented economy, the Shenzhen City government has formulated supplementary regulations on tax exemption and remission for Chinese-foreign joint ventures and cooperative ventures and foreign-owned enterprises. The implementation of these regulations will begin on 1 July.

According to these new regulations, the industrial and commercial united tax is exempted on all products of exports except for the existing finished oil products, that are produced by Chinese-foreign joint and cooperative ventures and foreign-owned enterprises within the Shenzhen Special Zone. Before 1995, the industrial and commerical united tax is exempted on the operational income of foreign-owned banks set up in the Shenzhen Special Economic Zone.

Accrued income tax is exempted on the interest on loans that foreign and Hong Kong and Macao banks lend to foreign-owned banks in Shenzhen at international interbank rates. The interest that a Shenzhen branch of a foreign bank pays to its head office on its operational capital is allowed to be treated as an expense, but the head office should pay accrued income tax. If the interest rate on the operational capital on which the branch pays interest to the head office does not exceed the international interbank rate, the accrued income tax is exempted.

Before 1995, accrued income tax or personal income tax will be expempted on the interest on the bank deposits of Hong Kong, Macao and foreign customers in the foreign-owned banks in Shenzhen.

When products of the special zone on which the industrial and commerical united tax has been exempted or reduced, are shipped to the hinterland, industrial and commercial tax should be charged on the after-tax factory prices of the products in accordance with the relevant regulations of tax legislation. As for the products that an enterprise sells at home, the enterprise should pay tax on the total value of the products that leave the factory. If the enterprise sells some products in the special zone, it can apply for a drawback which will be granted after the taxation department has examined and verified the application.

LIU HAO BECOMES SHENZHEN CITY CPC COMMITTEE SECRETARY

HK210135 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1610 GMT 20 May 86

[Text] Guangzhou, 20 May (ZHONGGUO XINWEN SHE) -- Informed sources disclosed today that Liang Xiang, secretary of the Shenzhen City CPC Committee, has been transferred from Shenzhen and will hold the post of vice chairman of the Guangdong provincial Advisory Commission. The post of first secretary of the Shenzhen City CPC Committee has been assumed by Li Hao, who is also Shenzhen mayor.

NON-KMT PERSONAGES DEMONSTRATE IN TAIPEI 19 MAY

OW211356 Beijing XINHUA Domestic Service in Chinese 0713 GMT 21 May 86

[Text] Hong Kong, 21 May (XINHUA) -- According to a dispatch from Taipei, hundreds of non-Kuomintang [KMT] personages in Taiwan held a demonstration at Taibei's Longshan Temple on 19 May, demanding that the authorities abolish "martial law," which has been in effect for 38 years. But they were surrounded and blocked by 1,500 police armed with cudgels.

At 0930 [0030 GMT], hundreds of non-KMT personages from Taibei, Gaoxiong, Tainan, Pingdong, Xinzu, Taoyuan, and Jiayi coverged on the temple, preparing to head for the "Presidential Building" at 1000 to protest the enforcing of martial law by the authorities since 1949. Draped over their shoulders were pieces of green cloth inscribed with the words "Oppose martial law, fight for human rights."

After being informed, the city authorities immediately dispatched over 1,500 cudgel-wielded police and "riot squads" to the scene. They sealed off the roads in the vicinity of the temple and formed a human wall in front of the temple made up of several ranks of police, barring anyone from entering or leaving. Under a scorching sun, the non-KMT demonstrators held a sit-in at the temple plaza. They made speeches, sang Taiwan folk songs, and constantly shouted such slogans as "Fight for freedom and democracy," and "Down with martial law." Since they had nothing to eat for a whole day, the spectators, numbering more than 2,000, tossed beverages and food to the demonstrators. The confrontation between the demonstrators and the police did not end until approximately 2200 in the evening, when the police consented to open a passageway and let the demonstrators leave in groups.

It is reported that this was the largest demonstration in Taiwan since the "Gaoxiong Incident" in 1979.

KMT URGED TO CHANGE RIGID POLICY TOWARD MAINLAND

OW180715 Beijing in Mandarin to Taiwan 0130 GMT 17 May 86

[Yao Fen untitled commentary -- from the "State Affairs Forum" program]

[Excerpts] Dear listeners: As you all know, the 3d Plenary Session of the 12th Kuomintang Central Committee in Taiwan was held in Taibei from 29 to 31 March of this year after being postponed for over a year. Over the past 2 or 3 months, press circles in Taiwan and overseas have made various suggestions to this plenary session, calling for the KMT authorities to change their policy toward the mainland and practice democracy in Taiwan. However, this KMT plenary session ignored the ardent expectations in the press circles in Taiwan and overseas for a change in the KMT's policy, and maintained its inflexible policy of no contact or talks with the mainland.

At present, the reunification of the motherland and the development of China have become the common cry of all Chinese people at home and abroad. It is likely that you have also noticed that many Taiwan newspapers and magazines recently carried articles by noted scholars talking about the question of reunification of the motherland.

In his article "On the World Situation This Spring" carried by LIANHE YUEKAN [UNITED MONTHLY], the 92-year-old historian Qian Mu said: I think the great future and big hope of today's China lie in peaceful reunification of the whole country. As for the talks which will lead to peaceful reunification, they can be called positive action. Refusal to hold peace talks is always negative action.

In his article entitled "On the World Situation in the Year of the Tiger," Yu Yingshi, a professor of history, pointed out: Taiwan has been gradually shrouded in a conservative atmosphere, while the Chinese mainland on the other side of the Strait is undergoing a big change. Considering this new situation, the mentality of meeting all kinds of challenges by doing nothing is no longer able to cope with the increasingly complicated future prospects. He also noted: Probably most of the Chinese people can only pin their hopes on the Chinese Communists' success in reform.

In recent years, the voices of personages in all circles in Taiwan calling for the authorities to establish mail, commercial, and transport services with the motherland's mainland as soon as possible have grown louder and louder. At a government affairs interpellation meeting in Taiwan's Legislative Yuan in early March this year, many legislators with no party affiliation repeatedly called for more flexibility in coping with new challenges and striving hard to overcome crises. Fang Sumin, a legislator with no party affiliation, pointed out: Commercian ties between the two sides of the Strait are a reality. So far as commercial contacts are concerned, the Taiwan authorities' policy of no contact, no talks, and no compromise is unrealistic.

As you all know, recently, the Taiwan authorities' refusal to accept the Asia Development Bank's changing the Republic of China into China Taibei triggered dissatisfaction in all circles in Taiwan. On 17 March, Legislator Jiang Pengjian openly questioned the Legislative Yuan on this matter in writing, urging the authorities to proceed from reality and change such an inflexible, rigid foreign policy. In his interpellation, Jiang Pengjian pointed out: Over the past 31 years, the Taiwan Government's foreign policy has shouldered two very heavy burdens:" One is anticommunist slogans, and the othr is the concept of the legally constituted authority. What has been particularly serious is that many policy decisionmakers have regarded both anticommunism and the legally constituted authority as a doctrine and faith, as if nobody could do without them. As a result, when a foreign policy decision is beset with these two hindrances, the authorities can make no adaptations at all.

What is Taiwan's way out? I think the only way out for Taiwan to enjoy long-term stability and prosperity is to seek reunification with the Chinese mainland. At the 3d Plenary Session of the 12th KMT Central Committee, the Taiwan authorities said: There is only one China, and China will certainly be reunified. This merits appreciation. I think the only way for Taiwan to extricate itself from difficult positions at home and abroad is to change its rigid stand and flow with the tide of historical development by adopting "one country, two systems" to achieve peaceful reunificaton with the motherland's mainland.

U.S. AVIONICS SALE TO PRC POSES REGIONAL SECURITY RISK

OW190524 Taipei International Service in English 0200 GMT 19 May 86

[Station commentary]

[Text] Opposition to U.S. sales of avionics equipment worth $550 million to Peking has been voiced not only by U.S. congressional leaders but also by many Asian-Pacific nations, which are apprehensive of Washington-Peking military collusion. Even the Vietnamese Army newspaper said recently that the current visit to the United States by Red China's Armed Forces chief of staff is aimed at reinforcing that collusion. It added that Yang Teh-chih's visit to the United States risks serious consequences for security and stability in Asia and the world. The opposition coming from Vietnam shows the extent of concern over U.S.-Red China military collusion, felt not only by the free nations in the region, but also by the communist regime. The proposed sales of avionics to Peking have been strongly opposed by the Republic of China [ROC], which calls upon the United States to sell to the ROC more sophisticated jet fighters and other defensive weapons in accordance with the Taiwan Relations Act [TRA]. Many U.S. senators and representatives have made appeals jointly or individually to the Reagan administration to sell F-20 fighters to the ROC to keep a basic balance of power between the ROC and Communist China. The recent hearings in the Senate Foreign Relations Committee have evoked opposition from many senators to the avoinics sales, and the committee only approved the proposal under three conditions, including a guarantee not to endanger the security of the Republic of China. Even U.S. Secretary of Defense Caspar Weinberger subscribed to the wisdom of maintaining the basic balance of power between the two sides of the Taiwan Strait as evidenced in press conference remarks in Tokyo on April 5.

We are glad to know that the new U.S. assistant secretary of state for intelligence and research, Mr Morton Abramowitz, told Senator Jesse Helms recently in his confirmation hearing that the United States adopt a balanced approach in dealing with the ROC and Communist China, and the U.S. will continue to provide defense capability to the Republic of China. Another senior State Department official, Deputy Assistant Secretary for East Asian and Pacific Affairs James Lilley, made a similar remark to a panel of the Senate Foreign Relations Committee on U.S. sales of avoinics equipment to Peking. Lilley reasserted that the Taiwan Relaticns Act is a fundament4al affirmation of the strong support which the United States gives to the Republic of China. He said: The administration will maintain its firm commitment, under the TRA, to the security of the people on Taiwan. During the hearing, presided over by Richard Lugar, chairman of the committee, Senators Frank Murkowski, Jesse Helms, Claiborne Pell, Malcolm Wallop, and Barry Goldwater all voiced their deep concern over the security of the ROC. They urged the Reagan administration to provide equal defense capability to the ROC to meet a possible threat posed by the upgrade Red Chinese (?F-8's) in the future.

Thus, it would be an appropriate action if the U.S. Senate and House of Representatives should recommend similar sales to the Republic of China when they discuss the U.S. proposal to sell avoinics to Peking.

SUPPORT URGED FOR TAIWAN EFFORTS TO REUNIFY CHINA

OW211441 Taipei CNA in English 1430 GMT 21 May 86

[Text] Taipei, May 21 (CNA) -- More than 200 former Chinese Communist military men and freedom fighters Wednesday called on the free world to support the Government of the Republic of China in its efforts to reunify China so as to maintain peace and stability in Asia and the world.

They stressed that the attraction of the successful experience in the Republic of China is the prime mover for their compatriots behind the bamboo-curtain to stand up and fight against their communist rulers. In a meeting observing the 24th anniversary of the "May exodus" which marks the Chinese refugee exodus from the Chinese mainland to Hong Kong in May 1962, the representatives of freedom seekers spelled out unanimously their support of the government's policy of "no compromise, no contact and no negotiation" with the Peiping regime.

Professor Chang Chih-chiang, a freedom-seeker-turned scholar, who presided over the meeting, said during May 1962, more than 400,000 Chinese refugees fled by land or water to freedom in Hong Kong and Macao at the risk of their lives. That shocking exodus, he said, was a charge against the slavery and tyranny of the Chinese Communists and living proof that vicious communism was not something the Chinese people needed or wanted.

Chen Pao-chung, the former Red Chinese pilot who flew a MiG-19 to South Korea last February and arrived in Taipei in April, reported on current conditions on the China mainland during the meeting. Freedom seeker writer Pu Nai-fu who fled from the China mainland to Hong Kong several years ago and later settled down in Taipei, also spoke on the social structure in mainland China.

CHINA POST HAILS KUOMINTANG-NONPARTISAN TALKS

OW190703 Taipei CHINA POST in English 16 May 86 p 4

[Editorial: "Political Milestone"]

[Text] It was described by local political observers as a milestone, that the ruling Kuomintang [KMT] last Saturday formally negotiated with nonpartisan members by allowing them to establish branches of the Tangwai Research Association for Public Politics (TRAPP) in Taiwan.

The KMT's latest liberal move was undoubtedly encouraged by President Chiang Ching-kuo's directive on May 7 asking that the ruling party strengthen rapport and mend fences with the nonpartisans to promote political stability and social harmony.

Led by Tao Pai-chun, a respected national policy adviser to the president, the mediation team consisted of three renowned scholars and three high-ranking KMT members and seven TRAPP leaders. After five hours of talks, the two sides agreed on the nation's fundamental policy, which is to implement the constitution and democracy and to strengthen political cooperation. Nevertheless, the nonpartisans urged the KMT to resolve the controversial issues such as the status of martial law, the organization of new political parties, the rejuvenation of the ROC legislative body and the revision of laws governing the organization of the Taiwan Provincial Government.

The KMT's small but historic step has earned itself widespread acclaim from the public, the lawmakers and the press.

Chinese intellectuals, in the past and even now, have often been encouraged by their parents and teachers to shoulder social responsibilities for the world. Unfortunately, such encouragement has often developed into an egotism such as, "I am the world and the world is mine." Consequently, traditional Chinese intellectuals lacked the spirit and attitude to tolerate opposing opinions and to be willing to compromise. This explains why our founding father Dr. Sun Yat-sen could establish a republic for the Chinese, yet was unable to implement democracy right after the revolution. He had promulgated the idea "the world is for all," aimed at teaching Chinese intellectuals to put the public interest first.

Apparently, Dr. Sun's call did not change Chinese intellectuals' deep-rooted attitude toward opponents. Thus, Yuan Shih-kai, the first president of the Republic of China, proclaimed himself an emperor; though he was soon overthrown, China was divided by warlords until the late President Chiang Kai-shek reunited the whole country. Communist insurgents then divided China again.

In the last 35 years, the ruling Kuomintang has prohibited the formation of new political parties in Taiwan for political stability and national security reasons. However, the local opposition elements have gradually developed into formidable competition against the KMT's still dominant popularity. The opposition's approach has improved from irrational attacks on the ruling party and government personnel to rational criticism of faulty public policy.

In previous elections, the opposition has taken an average of one-third of the total vote and legislative seats. It seems it is a perfect time for the party to recognize the growing and rational opposition force.

Though TRAPP is still far from being a political party, it should take the opportunity to review and work out a persuasive and feasible platform.

Both the KMT and TRAPP should also exercise restraint and show tolerance and sincerity to compromise through candid and open communications between them from now on.

Finally we urge all parties involved to realize the meaning of this milestone in this country's political development and have the patience to untie political knots as neither side will gain by abrupt or inconsiderate action.

Kuomintang Official Comments

OW220303 Taipei CNA in English 0235 GMT 22 May 86

[Text] Taipei, May 21 (CNA) -- A ranking official of the ruling Kuomintang [KMT] said Wednesday the KMT is sincere in communicating with nonpartisans, but warned that the KMT might consider changing its attitude if nonpartisans who take part in the second communication meeting on May 24 are different individuals from those in the first meeting on May 10.

The official, who asked not to be indentified, said that Control Yuan member Yu Ching, who is also chairman of the Nonpartisan Public Policy Research Association, has recently indicated that since the second meeting on May 24 is sponsored by the KMT, he will send three members of his association who are merely in charge of coordination. The official said Yu indicated he will do this instead of sending the seven nonpartisan leaders that took part in the first meeting to talk with the three deputy secretaries general of the KMT Policy Coordination Committee: Liang Su-jung, Huang Kuang-ping and Hsiao Tien-chan.

Such an action is a breach of the agreement reached on May 10 and will damage the harmonious relationship between the two sides, he said. He added that if Yu insists on asking those nonpartisans who did not take part in the first meeting to attend the second meeting, the KMT will have to consider calling a halt to its future communication with nonpartisans.

CAAC GUANGZHOU HEAD QUERIED ON RETURN OF CAL PLANE

HK220642 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0420 GMT 22 May 86

["This morning, Yu Yanen, Director of CAAC Guangzhou Branch, Answers Reporters' Questions at Baiyun Airport about the CAL Cargo Plane's Return to Taiwan" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 22 May (ZHONGGUO TONGXUN SHE) -- News from Guangzhou: At 1000 today, Yu Yanen, director of CAAC [Civil Aviation] CAAC [Civil Aviation Administration of China] Guangzhou Branch, held a press conference at Baiyun Airport, Guangzhou, to publicly answer Chinese and foreign reporters' questions on the return of the CAL [China Airlines] cargo plane to Taiwan.

Yu Yanen said that Tung and Chiu, who are going to return to Taiwan, are now in good health. Since they arrived at Guangzhou at the beginning of this month, they have lived in Guangzhou in good health. A hospital in Guangzhou gave them a special health checkup as recently as yesterday. The checkup showed that they were very healthy, and Chiu had even gained weight. Yu Yanen said: During the time Tung and Chiu stayed in Guangzhou, they always kept in touch with their families in Taiwan. They phoned their families just yesterday to tell them that they would soon return to Taiwan to be reunited with their families. Yesterday evening, the CAAC Guangzhou Branch hosted a simple supper for Tung and Chiu, who were of the same occupation as those at the Branch. Concerning the CAL cargo plane, Yu Yanen said that the relevant department had already thoroughly overhauled the plane, which was now in good condition and could take off any time.

As for the goods on the CAL cargo plane, Yu Yanen particularly pointed out that with the vigorous help from the Guangzhou City Bureau of Parks, Botanical Gardens, and Agriculture Science Institute, all the fresh goods of the plane had been very satisfactorily preserved. The relevant department has already loaded the plane with all its cargo, which can be carried to Hong Kong by the plane at any time. Yu Yanen finally said that before the CAL cargo plane left Guangzhou, arrangements would be made for a short meeting between Tung and Chiu and Chinese and foreign reporters in accordance with Tung's and Chiu's desire. Sources said that the CAL cargo plane and Tung and Chiu would leave Guangzhou for Hong Kong this afternoon.

[Hong Kong ZHONGGUO TONGXUN SHE in Chinese at 0430 GMT on 22 May transmits the following notice: "The item transmitted today entitled 'This Morning' Yu Yanen, Director of CAAC Guangzhou Branch, Answered Reporters' Questions at Baiyun Airport about the CAL Cargo Plane's Return to Taiwan,' says in its last paragraph 'sources said...would leave Guangzhou for Hong Kong this afternoon.' What the souces said is not true. Please delete that paragraph immediately."]

CAAC-CAL TALKS SET 'GOOD PRECEDENT' FOR DIALOGUE

HK211400 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1100 GMT 21 May 86

[Commentary by Hao Si: "The Talks Between the Two Airlines Have Set A Good Precedent" -- ZHONGGUO TONGXUN SHE]

[Text] Hong Kong, 21 May (ZHONGGUO TONGXUN SHE) -- The Civil Aviation Administration of China [CAAC] and China Airlines [CAL] have reached final agreement on the handing over of the CAL cargo plane, the two crew members, and the cargo. Thus the cargo plane incident, which occured more than 10 days ago, is finally coming to a happy ending.

In fact this is by no means a complicated case. Wang Xijue's flying the cargo plane to Mainland China and seeking residence there was an action based purely on his personal will. Meanwhile, the cargo plane remains the property of CAL and the two other crew members on board have asked to return to Taiwan to be reunited with their families. Such being the case, the CAAC, which acts on behalf of the mainland, declared its intention to return the cargo plane, the cargo, and the two crew members to CAL. And CAL also vowed to "recover" the cargo plane, the cargo, and the crew.

As one side intended to return and the other side wanted to "recover" the cargo plane, the cargo, and the crew members, there arose the issue of the location and the procedure for the handing-over. So it was quite natural that the two sides had to make direct contact and hold talks. However, due to the current state of relations between the two sides of the Taiwan Straits, the case became sensitive and complicated. For a while each side stuck to its own stand as to whether direct talks should be held and where the talks should be held. Fortunately the two sides, out of the wish to seek a solution to the issue, eventually agreed to hold face-to-face talks in Hong Kong, based on the principle of "pure operational talks" and "no politics." In the course of the talks, there were differences of opinion between the two sides on the number of the crew members to be returned and especially on the place and handing over procedure. But, again, the two sides managed to reach agreement promptly, based on the spirit of mutual respect and mutual understanding.

This incident has demonstrated that under the situation of the long-term separation between the two shores of the Taiwan Strait, the successful solution of a chance occurence inevitably involves direct contact and talks between the two parties. Contact is helpful in testing the sincerity of the other party, gaining a mutual understanding, and reducing unnecessary misgivings, and it will be easier to seek measures acceptable to either party even if some differences emerge. The successful solution of the CAL cargo plane incident has creatd a good precedent for handling similar incidents involving the two shores from now on, and its significance is far-reaching.

In the course of dealing with the cargo plane incident, CAL has changed from refusing to being willing to take part in direct talks, and from insisting on the return of the three crew members to "retaining the right for requiring the return of another crew member"; the CAAC has changed from insisting on CAL sending their representatives to talk on the mainland to accepting that the talks be held in Hong Kong, and from arguing strongly for the delivery in Guangzhou to agreement on delivering the plane and its crew members in Hong Kong. The basic cause for the flexibility in attitude of both parties lies in the mutual sincerity for a solution to the problem. As to which side is more favored in the results of the talks, Chung Tsan-jing, chief representative of the CAL team has put it correctly: It does not mean the concession nor the victory of either party. What should be returned must be returned and what should be regainedmust be regained. Such a truth-seeking attitude of judging the case as it stands is admirable.

No matter how we put it, the CAAC-CAL talks and the successful solution of the problem are worthy of celebration by all the descendants of Huang Di at home and abroad. We hope that the above-mentioned spirit and style demonstrated by the representatives of both CAAC and Cal will continue to be developed in the concluding phase of this incident, so that the cargo plane incident may have a good ending as well as a good beginning.

ECONOMIC CONSTRUCTION OFFICIAL COMMENTS ON PRIORITY OF PROJECTS

HK200413 Hong Kong CHING PAO in Chinese No 106, 10 May 86 pp 16-19

[Speech by Qian Jiaju at Fourth Session of Sixth National CPPCC: "The Chang Jiang Gorges Project Should Be Put Off and Investment in Education Should Increase" -- first paragraph is editor's introduction]

[Excerpts] This article is the speech delivered by Qian Jiaju on 11 March at the closing ceremony of the Fourth Session of the Sixth CPPCC National Committee. His speech was interrupted 16 times by audience applause; prolonged applause burst out at the end of his speech. The title and subtitles of the speech are added by the editor.

I fully agree with and support the reports made by Premier Zhao Ziyang, Minister Song Ping, and Minister Wang Bingqian. Now I would like to present some of my personal views on the issues of commodity prices, the economy of special economic zones, and compulsory education. And I took forward to hearing comments from our committee members.

"Fishing Projects" Are Unhealthy Practices in Economic Construction

The commodity prices issue is now the most sensitive one. Commodity prices, especially of vegetables, fluctuated violently last year. This was one of the contributing factors to social instability. According to data provided by the State Statistical Bureau, the general price index rose by 8 percent last year. But many people believe that this figure does not reflect the objective reality, because the general price index published by the State Statistical Bureau is an average figure. When this price index was calculated, the prices of such expensive durable consumer goods as refrigerators, television sets, cameras, washing machines, and watches was taken into account. And the prices of some of these goods dropped by a margin as wide as more than 30 or even 100 yuan. The weighted average calculated by counting altogether the prices of these durable consumer goods as well as those of vegetables and other articles of everyday use of course will offset the effect of drastic rise in commodity prices.

Since the rise in commodity prices may disturb people, a policy that is basically aimed at stabilizing commodity prices will be implemented this year so that good preparations will be made for the important process to be introduced in the reform in the next 2 years. This is a correct decision and we have no alternative. Why do I say so? Because "the reform of the pricing system is the key to the success of the reform of the economic structure."

The irrationality of our country's pricing system is obvious to all. It neither reflects the value of commodities nor the relations between supply and demand in the market. High quality products are not sold at high prices, while inferior goods are not as cheap as they should be. Without reforming this unreasonable pricing system, we will not be able to correctly evaluate an enterprise's production and management efficiency, to straighten out the economic relations in various sectors, and to introduce a benign cycle in China's national economy.

In order to bring the issuance of money under control, the central authorities have already taken many measures, especially the measures of reducing the scale of investment in capital construction and curbing haphazard increases in the consumption fund. These measures are completely correct and I am sincerely in favor of them.

Regarding the measure of cutting investment in capital construction, it is in my opinion necessary to suspend immediately superprojects that, not having been evaluated through the scientific process of feasibility studies, involve an enormous investment but are slow in scoring results and may possibly bring disaster to coming generations. This is the most effective measure to curb haphazard increases in investment in capital construction.

In the past 30-odd years since the founding of the PRC, we had a fondness for big projects but ignored actual effects, and thus paid an enormous price, suffering really tremendous losses arising from those "nodding projects" (to which the higher authorities had given the nod) which were "started without comprehensive planning" and from those "fishing projects" (which were said to need limited investment at the beginning according to the planners but later involved more and more additional funds after they were started). We should not follow this stupid practice anymore.

We maintain that preliminary studies are absolutely necessary before the decision is made on the starting of a big project. In fact, it must be regarded as the initial phase of a project rather than the preliminary study if one involves a large labor force and an investment of tens of millions of yuan or even over a hundred million in construction of roads and infrastructure. And, if one whips up opinion through newspapers and broadcasting stations and starts the so-called preliminary work before the feasibility study of a project is completed, so as to make the project an accomplished fact and force the central authorities to agree with the plan, one's practice, I think, is definitely a violation of the basic procedure for project construction and an extremely pernicious unhealthy trend much more harmful than the ordinary practices of extravagance, waste, corruption, and theft. If this unhealthy trend was not checked promptly, the prospects for our country's four modernizations program would be uncertain.

Some people say: A certain country is particularly interested in a certain project planned to begin in our country and intends to provide three-fourths of the funds to finance the project. So they ask: Will this country come to invest in our project if it is not likely to score good economic results but brings about losses that outweigh the gain? People who ask this question are really naive. The reason that country is particularly interested in our project is because, on the one hand, their businessmen wish to make a profitable deal and, on the other hand and above all, that country will have the opportunity to bring our country under its nuclear umbrella after the project is completed, claiming people's life and property (because once war breaks out after the project is completed, the huge dam may possibly be destroyed and thus constitute a formidable threat to the life and property of the people in the vast areas along the middle and lower reaches of the Chang Jiang). We would not then be able to uphold our independent foreign policy.

In order to stabilize commodity prices, we must on the one hand keep the issuance of money under control and, on the other hand, promote production. In implementing the deflation policy, we must keep our general goal in mind and must not demand uniformity. Recently, in making surveys in the four special economic zones, I was rather disturbed as I found that some industrial enterprises that had bright prospects or even the potential to earn foreign exchange were forced to cut their output because they were short of a limited amount of circulating capital of merely 100,000 to 200,000 yuan. However, in the case of some projects that have not yet been finalized, our departments in charge have invested without hesitation tens of millions of yuan in a breath to start the so-called initial-phase work. I truly believe that they "have turned a blind eye to major matters while concentrating on minor ones," and their practice is definitely open to question.

The Special Economic Zones Must Pay Much Heed to Investigations and Gathering of Information

In the past year, there was much gossip about the special economic zones. I visited the four special economic zones of Zhuhai, Shenzhen, Shantou, and Xiamen to have a look at their situation and problems. I think their achievements are the predominant feature of their efforts and should be fully appreciated. Meanwhile, of the problems they have been facing, some were inevitable in their way ahead, and the others were due to lack of experience. Efforts have been made to overcome these problems (such as the overexpanded scale of nonproductive investment, the surplus of guesthouses and hotels, and so on). We should not nitpick but should fully proclaim the achievements made by the special economic zones in their efforts to implement the opening-up policy. And we also hope that the leaders of the special economic zones will keep from being complacent but listen attentively to different views and do their best to enhance the unity between new and veteran cadres, between local cadres and those transfered from other places, and among old, middle-aged, and young cadres. It is necessary to make good use of talented people and help non-native intellectuals give full play to their due roles. And it is necessary to attach importance to investigations, studies, and gathering of market information. Only in this way can we make still further progress in the construction of the special economic zones.

Our special zones are special economic zones rather than special political zones. It is self-evident that the economy of the special zones should operate within the cage of the state's planned economy. However, this cage seems to have been overexpanded in the previous period and to have shrunk excessively for the moment. Too little a cage would make it difficult for a bird to fly. I hope the department in charge will notice this. As for the chaos regarding money issuance in the special zones, it is a result of the objective situation. The circulation of Hong Kong currency and the foreign exchange certificate has caused serious problems: The open circulation of Hong Kong currency in the Chinese market infringes on the country's sovereignty, the nation's dignity, and the reputation of renminbi; while the circulation of the foreign exchange certificate may lead to a situation in which it supersedes renminbi. The current situation is so intolerable that it needs to be dealt with immediately. I believe that the problems are definitely solvable and the central authorities must have been working out an overall plan to deal with them.

It Is Necessary To End the Tendency of Overlooking Investment in Education

The law on compulsory education is going to be adopted by the current NPC session and this will be an important event for rejoicing in China's history of education. To be sure, promulgation of the law on compulsory education in China is fully 100 years later than that in Japan and 134 years later than that in the United States. But, anyway, it is better later than never.

Funds Used To Run "Fishing Projects" Should Be Invested in Education Instead

In my opinion, the state should assume full responsibility for implementing the system of compulsory education. Many other countries in the world have already done so. There is no doubt that the funds for compulsory education can be raised through various channels, say, the state, the locality, enterprises, non productive service units, social groups, individuals, and so on. However, if the duty of implementing compulsory education is shifted onto the locality, the program will certainly fail. This is an obvious outcome because local party and governmental leading organs generally pay more attention to industrial and agricultural production than to education and place production before education.

The reason is quite simple since investment and development in industry or agriculture can score visible results, and the increase in industrial and agricultural output value can easily invite commendation from the higher authorities and win the support of the masse while investment in education with a view to improving the quality of citizens and the cultural and scientific standard of the country will not score results until 10 or even 20 years later. In brief, there will be no instant utility. Moreover, due to the long-term influence of the "leftist" ideological trend, people still have not adopted the mentality of respecting knowledge and culture. Therefore, local leaders always regard education as a kind of consumption and think of it as conflicting with investment in production, and very few cadres realize that investment in education is another form of productive investment which will make a big profits with small caital. Investment in education is not only a kind of capital construction but also the most fundamental capital construction.

The purpose of promoting general education is to foster qualified personnel, to boost scientific and technological development, and, above all, to improve the quality of the whole nation and to foster citizens with good educational background andmoral integrity who are up to socialist standards. Although it takes a longer time for investment in education to score results (as the old Chinese saying goes: "It takes 10 years to grow trees, but 100 years to rear people"), the economic results of this kind of investment and its contributions to the socialist spiritual civilization, if successful, will be much greater than those of ordinary productive investment.

But it is difficult to ensure that our local cadres have such a strategic insight. Investment in education can succeed only if the central authorities take a broad and long-term view and implement compulsory education as an important strategic task. If we entrust local governments rather than the state government with the enforcement of compulsory education, then the law on compulsory education, though enacted, will be reduced to a mere scrap of paper.

By and large, the promulgation of the law on compulsory education does not mean that there is a guarantee of the realization of compulsory education. In order to seriously and conscientiously implement the system of compulsory education, we must ensure that necessary material conditions and sufficient qualified teachers are available. One of the most important material conditions is the compulsory education fund. (Many years ago, Cai Yuanpei planned to enforce compulsory education but failed in his attempt because of lack of funds.)

I suggest that "fishing projects" that involve an investment of tens of billions of yuan but have not yet been proved feasible by scientific studies be suspended immediately, and the funds which are supposed to be used to finance these projects be used to run compulsory education instead. For one thing, whether these projects are advantageous or disadvantageous is still uncertain. For another, they can well be postponed 20 or 30 years even if they are proved to have more advantages than disadvantages whereas the implementation of the compulsory education system is an essential matter which will benefit future generations and enhance the quality of the whole nation and the educational level of all the people. Failure in the development of general education will turn out to be more disastrous than the error we made in the 1950's regarding the population issue. Such an outcome is just terrifying.

Starting this project has nothing to do with my personal interests. But, actuated by my sense of responsibility to the nation and the people, and based on my understanding of the urgent need of compulsory education, I have to appeal loudly to the relevant authorities to put compulsory education first and those "fishing projects" second. I clearly know that I am a lowly person whose words carry little weight, and it is very difficult or even impossible to stop a project under construction that the authorities have made up their minds to complete.

But as a friend who shows utter devotion and gives forthright admonition to the CPC, I decided, after thorough consideration, to respond to Chairman Deng Yingchao's call to "say all I know and say it without reserve." "One should persist in doing something one thinks is correct although there is no hope of success" -- this is a tradition passed on by old Chinese intellectuals. As I see the danger, I cannot help but voice my views. I will not mind whether the audience will support or attack me.

That is all I want to say. Thank you all

CONTROVERSY OF STATIONING PRC TROOPS IN HONG KONG ANALYZED

HK210115 Hong Kong KUANG CHIAO CHING in Chinese No 164, 16 May 86 pp 6-8

[Article by Kuan Cha-chia: "China's new Blueprint for Stationing Troops in Hong Kong -- Will Deng Xiaoping Change His Hong Kong Garrison Plan?" -- uppercase passages published in boldface]

[Text] [Abstract] As a symbol of sovereignty, there must be a garrison force. But the number of troops posted must be small. For the posting of troops in Hong Kong, a proper location can be found. To guarantee, in a still better way, the garrison's nonintervention in Hong Kong's internal affairs, something concrete may be defined about the wording "internal affairs." On the problem of judicial matters about the garrison force, some concrete stipulations can be laid down after a study is made. The power of control over the troops is of course held by the central authorities. But the circumstances under which the chief executive of the Special Administrative Region can mobilize troops with authorization from the central authorities should be a matter to be studied. [end of abstract]

New Measures About the Stationing of Troops in Hong Kong

The Chinese Government has not changed its principled stand on the stationing of troops in Hong Kong. But considering Hong Kong peoples' sensitivity, some concrete measures are likely to be taken to dispel their worries about the garrison force's intervention in Hong Kong's internal affairs. This is an impression that this writer has recently obtained in Beijing.

Deng Xiaoping Made Things Clear About No Posting of Troops in Hong Kong?

The story must be told starting from 28 April. That day this writer left Hong Kong for Beijing by plane. As he read a newspaper at the airport, a caption caught his attention: "Deng Xiaoping said that no troops would be posted in Hong Kong after 1997." The relevant report said: "Sources close to Beijing revealed that in a recent interview with some Hong Kong people in Beijing, Deng Xiaoping, chairman of the Central Advisory Commission and chairman of the Central Military Commission, said: After 1997, Chinese PLA troops will be posted not in Hong Kong but only in an area near Hong Kong. Meanwhile, Chinese naval forces will not remain stationed off Hong Kong."

The people of Hong Kong may not forget that on the stationing of troops in Hong Kong, Deng Xiaoping delivered a speech that caused a big stir 2 years ago. In making that speech, he was clearcut, positive, and strong in his attitude. He also unceremoniously accused Geng Biao and Huang Hua of talking nonsense. Now of things are really like that report said, then it means a major change in China's stand on the stationing of troops.

Therefore, upon arrival at Beijing, this writer, after a brief rest, phoned a number of friends inquiring whether Deng Xiaoping had said what was mentioned in that report. The reply from all the people contacted was: "Nothing heard about it."

Deng Xiaoping Talked on Education on One Occasion and on Ningbo on another

Perhaps, those several friends of mine were not well-informed enough! I made a check, tracing things to Deng Xiaoping's recent interviews with Hong Kong people. DURING THE PERIOD WHEN THE BASIC LAW DRAFTING COMMITTEE WAS IN SESSION, DENG XIAOPING RECEIVED WELL-KNOWN FIGURES LIKE YUE-KONG PAO, K.C. WONG, HENRY FOK, LI SIU KEI, AND SO FORTH. THEN HE HAD ANOTHER INTERVIEW WITH YUE-KONG PAO ALONE. I CONTACTED PEOPLE WITH ACCESS TO INSIDE INFORMATION ABOUT THE TWO INTERVIEWS. IT WAS REVEALED THAT AT THE FIRST INTERVIEW, EDUCATION WAS THE MAIN TOPIC OF DISCUSSION. AT THE LATTER INTERVIEW, NINGBO WAS THE MAIN SUBJECT OF DISCUSSION. OF COURSE, OTHER TOPICS WERE DISCUSSED, BUT NOTHING WAS SAID ABOUT CHINA'S STATIONING OF TROOPS IN HONG KONG.

BEFORE AND AFTER THIS, DENG XIAOPING RECEIVED FU CHAO-SHU AND SEVERAL FOREIGNERS. IT WAS UNDERSTOOD THAT DENG XIAOPING SAID NOTHING ABOUT THE STATIONING OF TROOPS ON ALL THOSE OCCASIONS.

Xu Jiatun Has Made His Attitude Known

On the evening of 1 May, I talked a few moments with an official related to Hong Kong affairs at a get-together. I seized the opportunity to seek his verification of that Hong Kong newspaper report. Shaking his head, he said: "To my knowledge, Deng Xiaoping said nothing of that kind." Then, why has nothing been done to dispel the rumor? He said with a smile: "Xu Jiatun has made his attitude known in Hong Kong."

The same evening I telephoned Hong Kong. Only then did I find out that at a party given by the Center for Academic Exchanges between Beijing and Hong Kong on 30 April Xu Jiatun said the following to Hong Kong reporters: "I have recently returned from Beijing to Hong Kong. I did not hear the rumor that Deng Xiaoping made remarks in Beijing about not stationing troops in Hong Kong after 1997."

Things then became very clear. But a further study of that Hong Kong newspaper report told me the following: "Deng Xiaoping told these Hong Kong people: The stipulation in the Sino-British Joint Declaration on China's stationing of troops in Hong Kong is based on the principle of sovereignty. But during the recent visit of Lu Ping, director of the Hong Kong-Macao Affairs Office, to Hong Kong, many people suggested that Chinese troops need not be stationed in Hong Kong, because a garrison force is not suited for an international city like Hong Kong. Beijing accepted this view about not posting troops in Hong Kong after 1997." The story was made so convincing. Was there some basis for it?

Subsequently, I visited a nonofficial student of Hong Kong affairs well acquainted with the situation, in a further study of this matter.

That old friend of mine had obviously already noted that Hong Kong newspaper report. As I raised the question, he immediately asked: "Does Britain have troops stationed in Hong Kong?"

After I answered in the positive, he further asked: "Please explain why under British rule, a garrison is suited for Hong Kong, an international city, while it is unsuited for Hong Kong after its return to the motherland?

I was at a loss for a response. Only after thinking a while did I say: "Leaving aside the logic of such a claim, some Hong Kong people's worries about a Chinese garrison's intervention in Hong Kong's internal affairs have actually been reflected."

"Deng Xiaoping put it very clearly: 'We dispatch troops to protect the safety of the state and not to intervene in Hong Kong's internal affairs.' In Annex I of the Sino-British Joint Declaration, the Chinese Government also clearly declares: 'Military forces sent by the central people's government to be stationed in the Hong Kong Special Administrative Region for the purpose of defense shall not interfere in the internal affairs of the Hong Kong Special Administrative Region.' With such a guarantee, I think there is no need to worry," that friend said in explanation.

I said that some Hong Kong people think that with troops posted at an area near Hong Kong and only moved to Hong Kong in case of need, is the responsibility for defense not similarly fulfilled? Thus, we can avoid arousing Hong Kong people's worries.

Only in Case of a Riot Troops Are Sent to Hong kong?

"That may be different." This friend said in disagreement: "It may be recalled that Deng Xiaoping said something on this: A garrison is also needed for the sake of Hong Kong's stability and prosperity. If troops are sent over only after there is a problem with Hong Kong's defense, or after something has happened, the effect of the shock would be all the greater. If there is already a garrison force there, given trouble, it can help in restoring stability., The maintenance of public order in Hong Kong is still the responsibility of the police. The troops do not bother about problems of concrete matters, and are chiefly of a preventive nature."

"As to the worry about intervention, if the troops are stationed at a neighboring area, say, Shenzhen, then would it not take just the crossing of the Lowu Bridge to intervene?" Continuing, this friend said: "Therefore, the problem does not lie in whether troops are stationed in Hong Kong or in a neighboring area. It should be accepted that China has once and again made the promise that troops would never interfere in Hong Kong's internal affairs."

"The problem of stationing troops is actually one of sovereignty." At this point, this friend asked: "Do you remember how Deng Xiaoping put it?"

"Of course, I remember." Deng Xiaoping's speech still remains fresh in my memory. According to a press report at that time, Deng Xiaoping said the following.

Deng Xiaoping Put It This Way...

"Troops must be stationed in Hong Kong. Since it is China's territory, why should troops not be stationed there? "

"When British Foreign Secretary of State Howe talked with me, he also admitted that he of course hoped that China would not station troops there and instead would use some other way. But he admitted that with the recovery of sovereignty, the Chinese Government has the right to station troops in Hong Kong."

"This is quite obvious. Given the absence of such a power, how can it be called China's territory?"

"What Deng Xiaoping said on that occasion have made things very clear. Since the stationing of troops is actually a problem of sovereignty, can there be a change in the Chinese Government's principled stand? That press report, in my opinion, only reflects the views of certain people," this friend said in a very solemn tone. After a moment, he calmed down and said: "Of course, to our knowledge, some people in Hong Kong are very sensitive to this problem."

Lu Ping's Findings Deal With the Stationing of Troops

"Relevant views entered in Lu Ping's findings have reflected this. To put it bluntly, it is what you have just said about fears of intervention in Hong Kong's internal affairs. This can be easily taken care of. Apart from what was declared by the Chinese Government in the Sino-British Joint Delcaration, the adoption of some concrete measures can be considered to dispel such fears."

On hearing this, I asked: What are those measures that can be taken? This friend revealed what he had in mind:

New Ideas Worth Noting

As a symbol of sovereignty, there must be a garrison force. But the number of troops can be small; troops my be stationed at Hong Kong. But a proper location can be chosen; to guarantee, in a better way, the garrison's nonintervention in Hong Kong's internal affairs, something concrete may be defined about the wording "internal affair;"

On the problem of judicial matters about the garrison force, some concrete stipulations can be laid down after a study;

The power of control over the troops is of course held by the central authorities. But it can be a matter to study under what circumstances the chief executive of the Special Administrative Region can mobilize troops with authorization from the central authorities.

Are These a Reflection of China's New Attitude?

"Are these a reflection of the Chinese Government's attitude?" I asked.

"How can I have the power to speak on behalf of official quarters! But I believe that all these can be considered." In light of such diplomatic language from this friend with his explantions, I feel that these ideas of his carry quite a bit of weight.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 100 23 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Journal on U.S. Policy Toward Southern Africa A 1
[SHIJIE ZHISHI 1 May]
ASEAN Foreign Ministers' Meeting in Bali Viewed A 3
[LIAOWANG 11 May]
LIAOWANG on Responsibility for UN Financial Crisis A 4
[LIAOWANG OVERSEAS EDITION 12 May]

UNITED STATES

Yao Yilin Speaks at Dinner in Seattle 22 May B 1
Rong Yiren Discusses U.S. Trade, Huguang Case B 1
[CHINA DAILY 23 May]
U.S. Denies Soviet Charge on Stalling Geneva B 3

NORTHEAST ASIA

DPRK Calls for Resumption of North-South Contacts D 1
South Korean Students Clash With Police D 1
S. Korean Students Occupy U.S. Cultural Center D 1
DPRK DPRF Group Arrives; Feted in Beijing D 2
Deng Liqun Meets DPRK Journalists' Delegation D 2
PRC Army Chief Yang Dezhi Departs Tokyo D 2

SOUTHEAST ASIA & PACIFIC

Australian Prime Minister Arrives in Nanjing E 1
Laurel To Run in Next Philippine Election E 1
Zhang Aiping Meets Royal Thai Navy Admiral E 2
PRC, Mongolian Trade Relations Increase E 2

SOUTH ASIA

Pakistan's Zia Hosts PRC Good-will Delegation F 1
Delegation Hosts Banquet F 1

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G 1
Danish Counterpart Praises PRC G 1
Begins Visit to Belgium G 1
Discusses Cambodia, World Issues G 1
European Parliamentarians Continue Visit G 2
Meet Zhang Jingfu G 2
Host Return Banquet G 2

EASTERN EUROPE

Romanian President Meets With Song Ping H 1
Poland, PRC Sign Scientific-Technical Accord H 1
Qiao Shi Meets Polish Cooperatives' Delegation H 1

MIDDLE EAST & AFRICA

Son of Tunisian President Bourguiba Visits I 1
Meets Xi Zhongxun I 1
Exchanges Views With Zhao I 1
Kuwait Plans To Invest in PRC, USSR I 2
XINHUA Analyzes Potential Syrian-Israeli Conflict I 2

PRC NATIONAL AFFAIRS

Officials Detail Early Satellite Launching Problems [AFP] K 1
PLA Chief Yang Dezhi Returns to Beijing 22 May K 1
Three People Arrested in Beijing for Profiteering K 2
RENMIN RIBAO Commentator's Article [23 May] K 2
Economic Commission Conducts Quality Spot Checks K 4
LIAOWANG on Responsibilty of Young Cadres K 4
WENZHAI BAO Views Effects of Three Gorges Project [11 May] K 6
GUOJI SHANGBAO on Labor Services Trade [8 May] K 8
More Students To Study Abroad in 5 Years K 9
Urban Militia Work Linked to Economic Reform K 10
Deng Liqun, Zhu Muzhi at Press Ceremony K 10
Xi Zhongxun, Others Honor Deceased Linguist K 11
Xi Zhongxun Speaks at Tibet Center Opening K 11
Xi Zhongxun Speaks on Handling Letters, Visitors K 12
Circular Urges Stabilizing Vegetable Prices K 12
Wan Li Attends Wu Zuoren Art Exhibit K 13
Ulanhu Receives Chifeng City Song, Dance Performers K 13
Labor Minister Stresses Need To Create New Jobs K 14
Fang Yi Addresses Scientific Research Meeting K 15
Economic Statistics for April Released K 16
Rui Xingwen Attends Shanghai Cultural Symposium K 17
Chen Pixian Makes Demands for Work in Fujian K 18
[FUJIAN RIBAO 10 May]
Li Peng Attends Foreign-Study Students Meeting K 19

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Leaders Attend Lateral Economic Ties Conference O 1
[FUJIAN RIBAO 7 May]
Chen Guangyi Discusses Fujian Economic Reform O 1
[FUJIAN RIBAO 10 May]
Shanghai Radio on Activities of Rui Xingwen, Others O 3
Shanghai Seeks Cooperation With Foreign Investors O 4
[CHINA DAILY 16 May]

CENTRAL-SOUTH REGION

Guangxi: Liuzhou Case of Witholding Taxes Concluded P 1
[GUANGXI RIBAO]
Yang Xizong Addresses Henan Social Science Congress P 1
Henan Commentary on Social Science, Liberalization Issues P 3
Hunan Factory Leaders Ignore Environmental Protection P 3
Hunan Commentary Views Environmental Protection Work P 4

NORTH REGION

Beijing Municipal CPPCC Elects New Leaders, Members R 1
Beijing Workers Urged To Abandon 'Rude Service' R 1
Congress Accepts Resolutions R 1
Hebei's Xing Chongzhi Extends Greetings on May Day Fete R 2
[HEBEI RIBAO 1 May]
Cadres Punished for Dumping Radioactive Waste in Hebei R 2
[CHINA DAILY 23 May]
Arrested Man Threatened To Blow Up Tianjin Railway Station R 4
[AFP]
Rectification Launched Among Tianjin Town Enterprises R 4

NORTHEAST REGION

Heilongjiang: Sun Weiben Speaks on Industrial Production S 1
Jilin Students Hold Symposium on Labor as Commodity S 1
Jilin To Issue New Self-Production, Marketing Certificates S 2
Shenyang Experiments With Contract Management Factories S 3

TAIWAN

CAAC Returns CAL 747 in Hong Kong 23 May V 1
Text of CAAC-CAL Statement V 1
CAL Crewmen at Press Conference V 1
Northern, Eastern Taiwan Hit by 25 Earthquakes [AFP] V 2
Other Parties Support KMT Policy on Nonpartisans V 2

HONG KONG MEDIA ON CHINA

Prospects for CPC 'Third Echelon' Members Examined W 1
[CHING PAO 10 May]
Hong Kong Analyst Comments on Trade With PRC W 5
[SOUTH CHINA MORNING POST 23 May]

PRC JOURNAL ON U.S. POLICY TOWARD SOUTHERN AFRICA

HK211145 Beijing SHIJIE ZHISHI in Chinese No 9, 1 May 86 p 12

[Article by Yu Da: "New U.S. Moves in Angola"]

[Text] Recent U.S. moves in Angola suggest a change in its policy toward southern Africa and the deterioration of U.S.-Soviet contention in that region. This has caused much unrest in international opinion.

Last year the United States abolished the Clark Amendment, which forbade providing aid for the National Union for the Total Independence of Angola (UNITA), an anti-government force. The bill had been approved by the Carter administration 9 years ago. Subsequently, early this year the United States resumed its military aid to UNITA. The WALL STREET JOURNAL reported that the government had informed Congress of its plan to provide weapons worth $15 million to UNITA. On 29 January, UNITA leader Savimbi visited the United States at the invitation of the White House. President Reagan met him and accorded him a reception at the "head of state level." Recently, THE WASHINGTON POST revealed that apart from just providing old weapons to UNITA, the United States has secretly delivered Stinger air defense missiles and TOW anti-tank missiles to Savimbi. Shultz said that as Soviet military advisers and 30,000 Cuban troops are stationed in Angola and the ruling Popular Liberation Movement of Angola-Party of Labor (MPLA-PT) possess fighter planes and other weapons provided by the Soviet Union, U.S. aid for Savimbi is a guarantee for him to "live" under strong Soviet and Cuban pressure.

What worries people is that the present U.S. moves could escalate the armed conflicts in Angola and inject new and complicated factors into the turbulent situation in southern Africa. People are in doubt about whether the U.S. policy toward southern Africa is becoming tougher and how the Soviet Union and Cuba, which support the ruling MPLA-PT, will respond.

For many years, Angola has been a hot spot of regional conflicts and U.S-Soviet contention in southern Africa as a result of its close relationship with the independence problem of Namibia. To resist Soviet and Cuban influence, the United States has always sided with South Africa and maintained that the independence of Namibia must be related to the withdrawal of Cuban troops from Angola. During the Carter administration, the United States was not sure whether UNITA could have a great influence, as it was still weak at that time. Therefore, U.S. aid for UNITA was concealed and limited and was provided indirectly through South Africa. Since Reagan assumed office, the United States has pursued the policy of so-called "constructive contacts" toward southern Africa in the hope of persuading South Africa, through "silent diplomacy," to declare its stand, so as to ease the tense situation in southern Africa and to facilitate U.S. activities. In addition, the United States has also demanded that Cuba withdraw its troops from Angola and that the MPLA-PT and UNITA sign an agreement. For this reason, Crocker, the assistant secretary of state for African affairs in the State Department, has frequently visited southern African countries. Under such circumstances, South Africa and Angola concluded an agreement on military disengagement, thus bringing about a warm atmosphere of peace negotiations in southern Africa which was favorable to the U.S. position in that region. Not long afterward, however, South Africa began to wantonly suppress the black movement in the country. It also propped up a puppet regime in Namibia and invaded the southern part of Angola, harming the security of its neighboring countries. In Angola, the war between the MPLA-PT governments and UNITA escalated and conciliation vanished like soap bubbles.

U.S. diplomatic efforts failed in succession, In view of this situation, the hardliners in the U.S. ruling circle called for a new study of the policy of "construction" contacts" toward southern Africa and suggested that the United States take offensive measures and support UNITA. UNITA has gradually grown in strength over the past few years and now controls a southern region in Angola accounting for one-sixth of the country's territory. It also engages the government forces in seesaw battles on two-thirds of the country's territory. Some people in the U.S. Congress are of the opinion that UNITA can become a force to negotiate and contend with the MPLA-PT. Therefore, they stand for changing the practice of the Carter administration and providing more aid for UNITA so that it can be used to resist Soviet and Cuban influence in Angola.

Now the dry season offensives are approaching. The United States will help UNITA resist the offensives by the government forces.

Apart from this, the United States has exerted economic pressure on the Angolan Government in an attempt to force the MPLA-PT to reconcile with UNITA. The United States has asserted that it will withdraw its oil companies from Angola if the MPLA-PT insists on settling the UNITA issue by military means. Oil is Angola's economic lifeblood. Being in economic difficulties, Angola will find it hard to bear the blow resulting from a withdrawal of U.S. oil companies.

In the course of taking such strong measures as mentioned above, the United States is not forgetting to conduct dialogue with Angola. Although they do not have diplomatic relations, the two countries have made contacts on the independent problem of Namibia and bilateral relations. At the end of November last year, they resumed their talks, which had been suspended for a time. Early this year, U.S. Assistant Secretary of State Crocker visited Angola, where he said that "in line with a constructive spirit," the United States "is willing to continue and promote the diplomatic process impacting on southern Africa, the Namibia problem in particular." Angolan President Dos Santos remarked that the Angolan Government was ready to continue talks with the United States on the question of southern Africa.

New U.S. moves in Angola have aroused strong repercussions in various circles. President Dos Santos denounced direct U.S. military aid for UNITA by saying that it was brutal intervention in Angola's internal affairs. He said that Angola would not knuckle under from U.S. "blackmail" and "threats." Zambian President Kaunda pointed out that U.S. moves directly endangered peace in southern Africa. He warned that if the United States does not stop supporting Savimbi, Angola "will be like Korea -- divided into two, with the southern part in the hands of the United States and the northern part the Soviet Union." On the same day that Reagan met Savimbi, Soviet ministers of foreign affairs and national defense met Angolan and Cuban Government delegations in Moscow, where the former reiterated their support for Angola.

International opinion maintains that the present moves of the United States will only aggravate the domestic contradictions in Angola and drive the MPLA-PT further in its reliance on Soviet and Cuban support, making Cuban withdrawal even more impossible. If the Cuban troops stay, South Africa will take this as an excuse to hamper Namibia's independence. This will add to the difficulties of achieving peace in southern Africa.

ASEAN FOREIGN MINISTERS' MEETING IN BALI VIEWED

HK211311 Beijing LIAOWANG in Chinese No 19, 12 May 86 p 8

[Article by Zhang Yiming: "Working for the Peace and Prosperity of Southeast Asia"]

[Text] The foreign ministers of the Association of Southeast Asian Nations [ASEAN] recently proposed the diplomatic and economic isolation of Vietnam in order to press it to withdraw its entire invasion army from Cambodia. At the same time, they asked the United States and other Western industrialized countries to eliminate trade barriers. These are the new efforts made by the six ASEAN states to promote peace, stability, and prosperity in the Southeast Asian region.

On 29 April, the foreign ministers of Brunei, Malaysia, Indonesia, the Philippines, Singapore, and Thailand convened on the scenic island of Bali.

The ASEAN foreign ministers published a joint statement supporting the eight-point proposal on the political solution of the Cambodian problem issued by the Coalition Government of Democratic Kampuchea on 17 March. The statement praised the eight-point proposal as "constructive," "fair and reasonable," and said that it "reaffirms the ASEAN position that the Cambodian problem must be resolved by the Cambodian people themselves." It pointed out that the proposal "reflects the sincere efforts of the Coalition Government of Democratic Kampuchea to search for a just and permanent solution to the Cambodian problem." The foreign ministers also reiterated their determination to continue to strive for a political solution of the Cambodian problem, and strongly urged the international community to support the eight-point proposal.

The ASEAN foreign ministers' meeting also discussed the economic issues confronting ASEAN. It was decided that the ASEAN heads of state conference will be held in the Philippine capital of Manila in the second half of 1986. At the same time, it was unanimously agreed that a special committee will be set up to study related problems on the acceptance of new members to the organization.

On 1 May, the six ASEAN foreign ministers held talks with visiting U.S. President Ronald Reagan in Bali and asked the United States to play a greater role in the solution of the Cambodian problem. Both sides believe that the eight-point proposal of Democratic Kampuchea represents "a stride towards" a solution of the Cambodian issue. Reagan indicated that the United States is ready to participate constructively in the solution of the Cambodian issue and added that the United States supports ASEAN's fundamental policy on this issue, that is, under international supervision, Vietnam should withdraw its entire invasion army from Cambodia, Cambodian sovereignty and independence should be restored, and all factions in Cambodia should hold negotiations and conduct free elections. Reagan also expressed full support for the ASEAN plan to isolate Vietnam diplomatically and economically until it agrees to end its occupation of Cambodia. However, he "has reservations on any plan regarding the participation of the Khmer Rouge in the political solution of the Cambodian issue."

Reagan met with the ASEAN foreign ministers in Bali on a stopover on his way to attend the seven-nation summit in Tokyo, Japan. According to reports, the meeting reflected the importance attached by the United States to relations with the ASEAN states.

It also used the occasion to propel the ASEAN states into closer cooperation with the United States in order to consolidate and strengthen the U.S. position in Southeast Asia and in the entire Asia-Pacific region.

The six foreign ministers presented to Reagan a memorandum adopted during the foreign ministers' meeting in which they called for the elimination of trade barriers. The ASEAN states hope that the United States and other Western industrialized countries will suppress trade protectionism and import more products from ASEAN. According to reports, Reagan made no clearcut position on this issue but promised that the economic difficulties confronting ASEAN would be discussed during the seven-nation summit in Tokyo. He indicated that the United States will cooperate closely with ASEAN to maintain a free flow of trade.

In recent years, the continued economic recession in the West, rampant protectionism in Western countries, and the drop in the prices of raw materials on the world market have dealt a heavy blow to the economies of ASEAN states, resulting in widespread economic slowdown in the six countries.

In particular, one country even registered a negative economic growth rate last year. According to a report of the Asian Development Bank, the decline of prices for petroleum and other export products in the world market alone accounts for the decrease from 2.2 percent to 4.8 percent in gross domestic product of ASEAN states in 1985. The ASEAN foreign ministers hoped that Reagan would present their views at the Tokyo summit in order to hasten the economic recovery of their countries.

LIAOWANG ON RESPONSIBILITY FOR UN FINANCIAL CRISIS

HK200330 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 19, 12 May 86 p 27

[Article by He Chengzhang: "Who Is Responsible for the UN Financial Crisis?"]

[Excerpts] The United Nations which has just celebrated its 40th anniversary is now facing the most serious financial crisis since it was founded. After the resumption of this UN session at the end of last month, on an urgent motion of the Secretary-General Javier Perez de Cuellar, the 159 member states had to give priority to discussing this major issue threatening the existence and future of the United Nations.

According to the secretary-general, this "unprecedented" financial crisis confronting the United Nations "is, fundamentally speaking, a political crisis." In their speeches, representatives of all countries focused on the United States. Notwithstanding that there are various abuses to be reformed in the United Nations such as numerous meetings and documents, overstaffing, and so on, people are still justified in believing that the United States' change in its attitude towards the issue of UN membership dues is the primary cause for the current "financial crisis."

In the early days of the United Nations, the United States offered to undertake 40 percent of the annual UN expense budget of its own accord. However, with the change of times, more and more medium and small countries as well as countries of the Third World have joined the United Nations.

In light of the principle that the rights of all member nations are equal as stipulated in the UN Charter, they act in unison and exercise equal voting rights at UN conferences, thus increasingly breaking with the situation in which the United Nations was manipulated and controlled by individual superpowers in its early days. In view of this situation, the United States on two occasios demanded the United Nations to lower its membership dues from 40 percent to 33 and 25 percent. In early 1983, in the UN rostrum the U.S. deputy representative to the United Nations brazenly expressed that the United States welcomes the United Nations to be moved from the United States. In early last year, the U.S. Government decided to withdraw from UNESCO.

In August of last year, in a amended motion the U.S. Congress proposed that if the United Nations does not replace the current one-nation-one-vote system with "the system of weighted vote" (i.e. the effectiveness of a country's right to vote in the United Nations is decided by the amount of its UN membership dues), the United STates will continue to reduce its UN membership dues. Therefore, recently, under the condition of not consulting the United Nations in advance as stipulated by the UN resolutions concerned and only on the merit of a bill passed by its Congress, the United States unilaterally decided to lower its UN membership dues from 25 percent to 20 percent, or from $210 milion per year to $140 million per year, and declined to pay the membership dues of this year so far.

In defiance of the UN charter, the United States presumptuously determined its own membership dues and even forced the congressional bill, which should only be effective within its own country, on the United Nations. This is not only a violation of international practice but also shows contempt for the sovereignty of other member nations. After fulfilling their financial obligations according to the UN resolutions concerned, all countries, big or small, should enjoy the equal right to vote. The so-called "system of weighted vote" is just an out-and-out proposal of "buying privilege with money."

In their speeches, representatives of China, Japan, West Germany and the Group of 77 all responded to the call of the UN secretary-general to actively pay membership dues and criticized the United State's course of action. At a luncheon given in honor of reporters stationed at the United Nations, Perez de Cuellar implicitly warned that "no country is entitled to threaten or blackmail the United Nations."

YAO YILIN SPEAKS AT DINNER IN SEATTLE 22 MAY

OW231010 Beijing XINHUA in English 0956 GMT 23 May 86

[Text] Seattle, May 22 (XINHUA) -- The realization of China's economic prosperity requires China to increase its economic relations and technological exchanges with other countries, Vice Premier Yao Yilin said here this evening. He was speaking at the dinner hosted by Governor of Washington State Booth Gardner and his wife and attended by Charles Royer, mayor of Seattle, and some 400 prominent personalities from various circles.

Speaking at the dinner, Governor Gardner said "international trade is one of the mainstays of our state's economy, and China is one of our most important trading partners." It is estimated that 20 percent of the dollar value of all two-way trade betwen the U.S. and China passes through Washington State, he added. Leaders of the government and private sectors in Washington State have long recognized China's importance and worked to build a strong, mutually beneficial friendly relationship, Governor Gardner said, adding "from this foundation of mutual understanding and mutual benefit, we look to the future with high hopes."

In reply, the Chinese vice premier asked the governor to convey the good wishes from the Chinese people to the people of Washington State. He said the state of Washington and the city of Seattle have made important contributions to the development of Sino-U.S. relations. Referring to China's policy of opening to the outside world, Yao Yilin said, while stepping up efforts to expand foreign trade, China has also adopted preferential policies with respect to introducing into the country needed capital, technologies, equipment and skilled personnel, and worked to improve investment environment so as to ensure legitimate returns to China's foreign partners. Yao Yilin noted that China-U.S. relations have not developed to the levels as they should be, and the promotion of exchanges and cooperation of the two countries in various fields rests on the continued joint efforts of both sides.

The vice premier extended warm welcome to American business executives in Washington State and Seattle to visit China and strengthen the cooperation with their Chinese counterparts. This morning Yao Yilin and his party visited John Fluke Manufacturing Company, a leading U.S. electronic testing instrument maker, and the Everett assembly plant of the Boeing commercial airplane company in Seattle. In the afternoon, the vice-premier toured the farmers market of Seattle and attended a reception hosted by Chinese American citizens in Seattle.

RONG YIREN DISCUSSES U.S. TRADE, HUGUANG CASE

HK230508 Beijing CHINA DAILY in English 23 May 86 p 2

[Text] New York -- Rong Yiren, chairman of the board of directors of the China International Trust and Investment Corporation [CITIC], said here this week that China expects more and larger economic co-operation with foreign countries during the Seventh Five-Year Plan (1986-1990). "China will continue to carry out the long-term national policy of opening to the outside world and will further promote trade and technological exchange with all other countries," he said at a business executives' luncheon in the World Trade Centre.

Rong briefed some 50 top U.S. bankers, investors and industrialists on the Chinese economic development strategy for the next five years as adopted by the National People's Congress last month.

The luncheon was sponsored by the National Committee on United States-China Relations and the Port Authority of New York and New Jersey to welcome the Chinese businessman.

During the five-year period, he said, "China will make greater efforts to expand foreign trade and use more foreign investment and introduce more advanced technology."

Participants from all parts of the United States listened with great interest as Rong assured them that China is making conditions attractive for prospective overseas investors, calling the situation the best opportunity available in the country for the last three decades and more.

Rong cited four major favourable investment environments in China now:

-- China is experiencing the best period politically since its founding in 1949, a period of what "We call a good government that enjoys great popular support." The political situation is stable and so is the policy.

-- The legal system that governs China's economic deals with foreign countries is being perfected, protecting overseas investors' legitimate rights and interests. Since 1979, the country has promulgated 11 state laws, including the Sino-Foreign Joint Venture Law and the Foreign Enterprise Law.

-- Economically, China has achieved tremendous success over the past few years. The strong and healthy economic growth has provided adequate material conditions for further opening to the outside world.

-- The move to clamp down on such malpractices as corruption, bribery and speculation has created a better political and social environment for business operations both internally and with foreign partners.

A discussion on a wide range of subjects covered in Rong's speech was held afterwards.

In an interview with CHINA DAILY, Rong called for speedy settlement of the Huguang Railway bonds dispute between China and the U.S. It has impeded CITIC from considering issuing bonds in the United States and has consequently meant a loss for U.S. businesses, Rong said. The Huguang case is now pending before a federal appeals court; a decision is expected sometime this year. The cse was first filed in the state of Alabama in September 1979 and was dismissed in favour of China by a federal district court in 1984.

CITIC will borrow heavily abroad in the next few years, Rong told CHINA DAILY, in the form of bonds and long-term loans. CITIC is not afraid of going into debt, Rong said, as long as the funds borrowed are spent properly and can improve China's economy. So far, CITIC would be willing to consider issuing bonds in the United States if the Hunguang bonds case were settled, Rong said.

Rong is here on a one-week visit. He recieved an honorary doctorate from Hofstra University on Long Island, New York, on Sunday and met with Delaware Governor Michael N. Castle and Lieutenant Governor S.B. Woo on Monday.

In the next few years, CITIC will put its emphasis on developing natural resources and energy and importing advanced technology, the chairman said. CITIC's co-operation with American businesses has been, in general, satisfactory, Rong noted. The Pingshuo Coal Joint Venture with Occidental Corporation is progressing smoothly, and is expected to start production early next year. The joint venture with Otis Elevator has done well on technology transfer and the joint venture with Beatrice Foods is developing products in Guangdong. Rong disclosed that the next chairman of Beatrice will visit China next month, the first foreign country he will visit after taking office. CITIC has been assured that leadership change of Beatrice will not affect the corporation's relationship with China and CITIC, Rong said.

U.S. DENIES SOVIET CHARGE ON STALLING GENEVA

OW220152 Beijing XINHUA in English 0140 GMT 22 May 86

[Text] Washington, May 21 (XINHUA) -- The Reagan administration today denied a Soviet charge that the U.S. has not been serious in the Geneva arms control talks, and said that something could come out of a second U.S.-Soviet summit if it takes place this year. It also called on the Soviet Union to agree to a date for rescheduling a meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze, which had been cancelled by the Soviet Union following the U.S. bombing of Libya. The State Department spokesman Bernard Kalb said the Soviet accusation that the U.S. has not responded to Soviet initiatives on arms control "is simply wrong"

In Geneva, he said, "The United States tabled a major INF (intermediate-range nuclear forces) verification proposal to which we are awaiting a Soviet response. We have offered U.S. ideas for progress on nuclear testing. The Soviets have not responded positively." Instead, he accused the Soviet Union of being "unwilling to join" the U.S. in an effort to create an appropriate political atmosphere for a second Reagan-Gorbachev summit, while the U.S. "sought an intensified high-level dialogue, including preparations for an early 1986 summit."

Meanwhile, U.S. Assistant Secretary of State for European Affairs, Rozanne Ridgway, told the House subcommittee on Europe Wednesday that the U.S. is still expecting the summit to take place in November, after the mid-term U.S. congressional elections. She said that although the Soviet Union postponed as essential step needed to prepare for the summit--the holding of a foreign ministers meeting--the U.S. sees "nothing in principle that would preclude such a meeting" between the leaders of the two superpowers. "We believe that a 1986 summit, well-prepared, can have a positive outcome, and that requires a lot of time," she said.

DPRK CALLS FOR RESUMPTION OF NORTH-SOUTH CONTACTS

OW171926 Beijing XINHUA in English 1757 GMT 17 May 86

[Text] Pyongyang, May 17 (XINHUA) -- A high ranking Korean official today called on South Korea to stop any kind of military activities which would harm the atmosphere of North-South dialogue and intensify the situation. Kim Pong-chu, member of the Presidium of the Central Committee of the Democratic Front for the Reunification of the Fatherland, made the call at a rally held in Pyongyang gymnasium to mark the sixth anniversary of the "Kwangju popular uprising." Kim Pong-chu, also chairman of the Central Committee of the General Federation of Trade Unions of Korea, said the uprising staged on May 18, 1980 in the South Korean city of Kwangju, was aimed opposing dictatorship and striving for democracy. The uprising will go down in history as struggle of the South Korean people against imperialism, fascism and for national salvation, he said.

Kim said that in the past six years, the struggle carried out by the South Korean people has embarked on a new road of development. Their struggle this year against U.S. war policy, splittism and colonialism, and the ten million-strong signature campaign have made the South Korean authorities feel "uneasy." These struggles against fascist rule and for national sustenance and democracy are just and patriotic, he said. Kim stressed that whatever happens in South Korea, the North part has "no intention to get itself involved," "nor has it any intention to create chaos in South Korea." Kim urged the United States and South Korea to respond at an early date to the proposal for tripartite talks put forward by the North two years ago. He also called on the United States to stop supporting the South Korean regime and to withdraw unconditonally its forces and nuclear installations from South Korea.

SOUTH KOREAN STUDENTS CLASH WITH POLICE

OW171840 Beijing XINHUA in English 1546 GMT 17 May 86

[Text] Pyongyang, May 17 (XINHUA) -- Hundreds of South Korean students clashed with police on the eve of the sixth anniversary of the anti-government uprising in Kwangju, according to the KOREAN CENTRAL NEWS AGENCY (KCNA) today. KCNA said in a dispatch that about 600 students from Koryo University staged an anti-government demonstration after a campus rally to mark the Kwangju event. The demonstrators burned chon Tu-hwan's effigies and fought police tear gas with stones and gasoline bottle bombs. Similar demonstrations were reported from Yonsei University and Kwangju, the very city that witnessed the anti-government uprising in 1980. Over 190 people were killed and some 800 others injured during the nine-day bloodshed. Meanwhile, the major opposition New Korea Democratic Party issued a statement demanding democratic reforms, the release of political prisoners and warnings to the United States against its support for Chon's regime. The party, headed by leading dissidents Kim Yong-sam and Kim Tae-chung, termed the Kwangju uprising a "national tragedy" and said that continued U.S. support for the South Korean Government will bring more anti-American sentiments among the Korean people.

S. KOREAN STUDENTS OCCUPY U.S. CULTURAL CENTER

OW211808 Beijing XINHUA in English 1756 GMT 21 May 86

[Text] Pyongyang, May 21 (XINHUA) -- Seventeen students in Pusan, the second largest city in South Korea, today occupied for about an hour the American Cultural Center there to demand a U.S. apology for the Kwangju incident, according to reports received here.

They erected barriers in the library on the building's ground floor and held a sit-down protest, carrying placrads inscribed with the words, "Do not forget the Kwangju struggle, overthrow pro-U.S. dictatorship." About 400 South Korean policemen rushed to the scene and arrested all the students. It was South Korean students' first attack against American institutions this year. Several such actions were witnessed in Seoul, Kwangju, Pusan and other South Korean cities last year.

In another development, several thousand students at the Seoul National University today held a memorial meeting for those who died in the Kwangju uprising, which took place on May 18, 1980. The students denounced and asked the United States to apologize for its support to the authorities in suppressing the uprising, in which more than 5,000 people were killed and some 10,000 others injured.

DPRK DFRF GROUP ARRIVES; FETED IN BEIJING

OW201403 Beijing XINHUA in English 1350 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, hosted a banquet here this evening to welcome a delegation from the Korean Democratic Front for the Reunification of the Fatherland. Speaking at the banquet, Yang said that both China and Korea are faced with the sacred mission of reunifying their countries. He believed that the Korean people, under the leadership of the Korean Workers' Party led by their leader Kim Il-song, will succeed in the reunification of their fatherland. He reiterated that the Chinese people will unswervingly support the Korean people in their efforts for an independent and peaceful reunification of their fatherland and against creating "two Koreas".

In reply, Chong Sin-hyok, head of the delegation, wished for greater achievements by the Chinese people in reunifying their country under the concept of "one country, two systems" and in maintaining world peace as well. He also thanked the Chinese Government and people for their consistent support to the Korean people's struggle for reunifying their fatherland. The Korean delegation arrived here this morning.

DENG LIQUN MEETS DPRK JOURNALISTS' DELEGATION

OW191148 Beijing XINHUA in English 1128 GMT 19 May 86

[Text] Beijing, May 19 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met a delegation from the Korean Journalists' Union here today. The delegation headed by Yi Hui Uk, chief editor of the KANGWON DAILY, arrived here May 16 at the invitation of the All-China Journalists' Association.

PRC ARMY CHIEF YANG DEZHI DEPARTS TOKYO

OW221541 Beijing XINHUA in English 1513 GMT 22 May 86

[Text] Tokyo, May 22 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, left Tokyo for home today. Yang was seen off at the airport by Hiromoto Seki, counsellor in the Japanese Ministry of Foreign Affairs, Hideki Suzuki, chief of secretariat of the Joint Staff Council of the Japanese Self-Defence Forces. Yang arrived here Wednesday on his way home from a trip to the United States During his stay, he called on Japanese Prime Minister Yasuhiro Nakasone and the Director-General of the Defence Agency Koichi Kato.

AUSTRALIAN PRIME MINISTER ARRIVES IN NANJING

OW221414 Beijing XINHUA in English 1401 GMT 22 May 86

[Text] Nanjing, May 22 (XINHUA) -- Australian Prime Minister Robert Hawke and Mrs Hawke arrived in Nanjing, capital of Jiangsu Province, this afternoon in the company of General Secretary Hu Yaobang of the Chinese Communist Party Central Committee. Greeting them at the airport, where they had arrived after a visit to the Sichuan provincial capital of Chengdu, were Governor of Jiangsu Province Gu Xiulian, Deputy Governor Chen Huanyou and other leading Nanjing figures. At the provincial government building, Gu briefed the visitors on the province's economic development and foreign trade.

This afternoon, Hawke also attended the signing of an agreement between China and Australia on building a wool storehouse. The storehouse is planned to hold 10,000 tons of wool and will handle and distribute wool imported from Australia. Under the agreement, the Australian side will provide structural components, equipment and a computer system, and the Chinese side will provide the site, buildings and transportation to be built near Nanjing's Xinshengxu Port, which opened to foreign ships recently. The storehouse will be used by the Chinese side after completion. Signing the agreement were Chinese Vice-Minister of the Textile Industry He Zhengzhang and Chairman of the Australian Wool Corporation D.J. Asimus.

This evening, Gu Xiulian gave a banquet for the Australian visitors at the Jinling Hotel. Hu Yaobang was present. Jiangsu Province and Australia's Victoria State established friendly ties in 1979. In their toasts, Gu and Hawke expressed their hope to further promote trade and economic cooperation between the two sides. Hawke and his party visited Nanjing's Yangtze Bridge and the Sun Yat-sen Mausoleum this afternoon.

LAUREL TO RUN IN NEXT PHILIPPINE ELECTION

OW221835 Beijing XINHUA in English 1812 GMT 22 May 86

[Text] Manila, May 22 (XINHUA) -- Philippine Vice-President and Foreign Affairs Minister Salvador Laurel said today he will run in next year's general elections. Laurel told the media he wants to erase the "cloud of doubt" surrounding he and President Corazon Aquino, who claimed victory over ousted President Ferdinand Marcos after a fraud-tainted election in February. He said he is willing to follow whatever the constitutional commission -- which is due to convene June 2 -- decides about elections. "We are not afraid to run again and we will follow the constitution," he added. He did not say in what position he would run, admitting he and Aquino haven't talked about that. "That's the least of our problems, we can always agree," he added.

There have been forceful calls for elections for everything from the presidency down to the smallest political unit by next year to determine who has the mandate of the Filipino people. Opposition members say Mrs Aquino and Laurel do not have the mandate since they assumed power under "extraordinary circumstances," referring to the four-day military mutiny that led to the downfall of Marcos.

ZHANG AIPING MEETS ROYAL THAI NAVY ADMIRAL

OW221050 Beijing XINHUA in English 1035 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Zhang Aiping, state councillor and minister of national defense, met visiting Commander of the Royal Thai Navy Admiral Niphon Sirithon, his wife and their party, here today. He said friendly relations between China and Thailand and their two navies have been established for quite a long time. He hoped that the two navies will expand their friendship and contribute to peace in Southeast Asia, the Pacific region and the other parts of the world. Niphon hoped that the two navies will increase their cooperation and exchanges, so as to learn from each other. Present on the occasion were Liu Huaqing, navy commander of the Chinese People's Liberation Army, and Orachun Tanaphong, Thai ambassador to China.

PRC, MONGOLIAN TRADE RELATIONS INCREASE

OW160553 Beijing in Russian to the USSR 1800 GMT 15 May 86

[Text] This year local trade relations between China and the MPR were established for the first time. This represents a new step in trade relations between the two countries. At the invitation of the MPR, a Nei Monggol Autonomous Region border trade delegation visited the MPR between the end of October and beginning of November in 1985 and studied and discussed the question of border trade between the two countries with the Mongoilan side. In the MPR, the delegation not only visited plants and factories, shops, schools, and scientific and research institutes, agricultural and life-stock farms, but also signed three documents with the MPR state committee for material and technical supply: A protocol on border trade between China and the MPR for the period of 1985 to 1986; a general contract on border trade between China and the MPR for 1986; and a protocol between Bank of China and the MPR State Bank on the procedures for accounting and financial transactions with regard to border trade. This serves as a good beginning for the development of border trade between the two countries. Consistent with the contract, the turnover of the first batch of trade goods in the first quarter of this year was 636,000 Swiss francs.

The MPR delivered to Nei Monggol Autonomous Region of China newsprint, mass produced carpets, work footwear, deer antlers, children's footwear and other goods in the sum of 318,000 Swiss francs. The Nei Monggol Autonomous Region in turn delivered to the MPR, sports clothing, thermos flasks, volleyballs, paint brushes, and other goods valued at 318,000 francs. It is expected that the value of the second batch of goods will increase significantly.

While in the MPR, the border trade delegation from Nei Monggol Autonomous Region staged a small exhibition of samples, in which more than 600 products were displayed which were produced in Nei Monggol, including bronze objects, musical instruments, clothing, knitwear, footwear, hats, children's toys, foodstuffs, and household electrical appliances. Activists from various MPR circles spoke well about the products manufactured in Nei Monggol and thought that local resources and the export goods of Nei Monggol Autonomous Region could satisfy the needs of the MPR. During the exhibition, an MPR border trade delegation picked 80 odd samples which were of interest to them. This speaks well of the MPR's good intention to actively develop border trade with the Nei Mongol Autonomous Region of China. Besides the traditional goods, the Mongolian side offered to exchange white floors for [word indistinct]. The Chinese Nei Monggol Autonomous Region gave a positive reply to this proposal.

We will further tell you of the trade relations between the two countries: The MPR is one of the first to have recognized and to have established diplomatic relations with the PRC.

From October 1952, when both sides signed a economic and cultural cooperation agreement in Beijing, the trade ties between the two countries grew steadily. The volume of trade grew particularly rapidly after the opening of the Taiyuan-Ulaanbaatar railway line in 1955.

In 1960 the trade turnover between both countries already reached 31,290,000 rubles, 47 times greater than 1951 and represents 20 percent of the MPR's total foreign trade. This was the flowering of trade between the two countries. Later, due to complex international reasons, trade became patchy. In the last 5 years trade between the two countries developed steadily. The turnover in 1985 reached 15 million Swiss francs, which is 53.3 percent greater than in 1984.

In April of this year a long-term agreement was signed in Beijing between the governments of the PRC and the MPR for the period of 1986 to 1990. This is the first long-term trade agreement between the governments of the two countries. In accordance with this agreement, both sides will continue to further develop bilateral trade relations on the principles of equality and mutual benefit. China will deliver silk and other light industry goods, fresh and dried fruit to the MPR. The MPR will send textiles, horsehide, deer antlers, and other goods to China. Both sides have also signed a contract on exchanges and payments for goods for 1986.

Over the past 30-odd years, the MPR has supplied China with more than 500 types of goods, particularly livestock products, timber, and raw material for medicines. China supplied the MPR with thousands of different goods including textiles, silk and satin, leather goods, tobacco, tea, sugar, spices, and other light industrial and foodstuff products.

HONG KONG TO TRAIN PRC AERONAUTICAL ENGINEERS

OW221747 Beijing XINHUA in English 1503 GMT 22 May 86

[Text] Hong Kong, May 22 (XINHUA) -- Hong Kong is helping train aeronautical engineers from the Chinese mainland for overseas service under a scheme sponsored by a local joint venture. The program offers for overseas service disciplined, integrated and balanced engineering teams competent to undertake the work of all the trades involved in the overhaul of airliners, Feng Bao-xun, deputy general manager of the joint venture -- South China Aero Technology Ltd (SCAT) -- told XINHUA today.

Mainland personnel experienced in aircraft design, manufacture and flight testing are being given training in Hong Kong, covering Western airliner maintenance practices and procedures, he said. This covers both classroom theoretical and on-the-job practical activity in hangars and workshops, he said. The course is for 18 months and includes intensive technical English to ensure familiarity with maintenance manuals and documentation. Upon graduation, each technician will be qualified to lead a team of mechanics to undertake inspection and repair of Boeing 747s or 737s and Lockheed Tristars, he added.

Demand for such services is from the Middle East where increasing difficulties are evident in retaining traditional labor sources, Feng said. Most of the first class of 30 now under training in Hong Kong are graduates from China's aeronautical engineering institutions. They will shortly be followed by 150 more technicians, he said. SCAT is a joint venture formed by the Hong Kong Aircraft Engineering Company Ltd. (HAECO) and the China National Aero Technology Import and Export Corporation (CATIC).

PAKISTAN'S ZIA MEETS PRC GOOD-WILL DELEGATION

OW221358 Beijing XINHUA in English 1344 GMT 22 May 86

[Text] Islamabad, May 22 (XINHUA) -- Pakistan President Ziaul Haq said here today that the development of relations between Pakistan and China has provided a model for peaceful co-existence between countries of different social systems. Zia made the remarks when he met with a visiting Chinese good-will delegation led by Fu Hao, member of the Standing Committee, and vice-chairman of the Foreign Affairs Committee of the Chinese National People's Congress.

The Pakistan president said that the development of Pak-Sino relations in the past 35 years since the establishment of diplomatic ties has demonstrated that "a big country and a relatively small country can help each other and co-exist peacefully for mutual benefit", thus providing a model for the whole world. The friendship between the peoples of the two countries, Zia said, is "sincere" and the Pakistani people treat the Chinese people as their own brothers. He also expressed his confidence that further development of Pak-Sino relations will be in the interests of the two peoples.

During the meeting, Chinese delegation leader Fu Hao praised President Ziaul Haq for his "valuable contribution to the consolidation and development of the relations and friendly cooperation between the two countries."

The Chinese delegation leader also met Chairman of the Senate Ghulam Ishaq Khan here this morning and called on Prime Minister Mohammad Khan Junejo and Speaker of the National Assembly Syed Fakhar Imam yesterday.

The delegation has come to participate in celebration of the 35th anniversary of the establishment of diplomatic relations between China and Pakistan.

Delegation Hosts Banquet

OW230234 Beijing XINHUA in English 0057 GMT 23 May 86

[Text] Islamabad, May 22 (XINHUA) -- Leader of the Chinese good-will delegation Fu Hao said here today that he was deeply impressed by the fact that the Pakistani Government and people attach great importance to the Pakistan-China ties.

Speaking at a reciprocal banquet, Fu Hao, member of the Standing Committee and vice-chairman of the Foreign Affairs Committee of the Chinese National People's Congress said that China and Pakistan are trustworthy friends of mutual respect, and both sides are quite satisfied with the development of Sino-Pakistan friendship and cooperation.

In his speech, Minister of State for Foreign Affairs Zain Noorani said, the celebrations between Pakistan and China are serving a most useful purpose. The solidarity between Pakistan and China has served not only the interests of the two peoples but also the cause of peace and stability in Asia and the world, he said. He believed that the friendship between the two countries will continue to grow in the years to come.

The Chinese delegation will wind up its visit in the capital tomorrow and go on to Lahore and Karachi. It will leave for home on May 27.

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN TRIP

OW220617 Beijing XINHUA in English 0556 GMT 22 May 86

[Text] Copenhagen, May 21 (XINHUA) -- China's development reveals the nation's unique driving force and great potential, which when realized will contribute greatly to the world, Danish Foreign Minister Uffe Ellemann-Jensen said today. He made the remark at an official dinner in honor of visiting Chinese State Councillor and Foreign Minister Wu Xueqian.

Ellemann-Jensen said China has won the world's admiration for bringing together tradition and modernity, stability and change. He noted that relations between Denamrk and China have been developing rapidly, as evidenced by the increased number of official visits.

Wu praised Denmark for its economic achievements and its work for world peace. He said that China and Denmark share similar views on many international issues and that the cooperation between China and a strong and united Europe is an important element in ensuring peace and stability in the world. Wu, who arrived in Cophehagen Tuesday, ends his visit tomorrow.

Begins Visit to Belgium

OW221801 Beijing XINHUA in English 1749 GMT 22 May 86

[Text] Brussels, May 22 (XINHUA) -- Chinese Foreign Minister Wu Xueqian arrived here this afternoon for a three-day official visit. Wu, who just completed a state visit to Denmark, was greeted at the airport by Leo Tindemans, Belgium's minister for external relations, officials of the commission of the European Communities (EC), and Liu Shan, Chinese Ambassador to Belgium and the EC. During his stay the Chinese foreign minister will have separate talks with Tindemans and Jacques Delors, president of the EC commission, on bilateral relations and international issues. Belgium is the fifth leg of Wu's nine-nation European tour, which has already taken him to Finland, Sweden, Norway and Denmark. The other four countries on his schedule are Luxembourg, Ireland, Hungary and Democratic Germany.

Discusses Cambodia, World Issues

OW230604 Beijing XINHUA in English 0534 GMT 23 May 86

[Text] Brussels, May 22 (XINHUA) -- Belgium will do all it can to contribute to China's modernization, Belgian Minister of External Relations Leo Tindemans declared here this evening. He made the remarks at a dinner in honor of the visiting Chinese State Councillor and Foreign Minister Wu Xueqian in the Palais Egmont. Wu is here on the fifth lap of his current tour of nine European countries.

Tindemans said, "On international issues in general, Belgium and China have identical views. What concerns them first is to build a world of peace, where nuclear and conventional weapons are cut to the lowest possible level." He also noted that the support of the European Community and China for the 8-point peace proposal put forward by the three resistance forces of Democratic Kampuchea indicates that they all want to seek a political solution to the problem so as to make Kampuchea a non-aligned country of independence, peace and democracy.

The Chinese foreign minister in his toast expressed satisfaction with the rapidly expanding Sino-Belgium relations and the fruitful cooperation between the two countries in trade, sciences and technology. China has all along valued its relations with West European countries and regarded it as an important link in China's foreign policy. China and Europe share identical interests and have the same desire for a lasting peace and the furtherance of cooperation in the economic fields, Wu Xueqian pointed out. Belgian Secretary of State for Foreign Trade Etienne Knoops and Chinese Ambassador to Belgium Liu Shan also attended the dinner tonight.

EUROPEAN PARLIAMENTARIANS CONTINUE VISIT

Meet Zhang Jingfu

OW211658 Beijing XINHUA in English 1543 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Chinese State Councillor Zhang Jingfu called for European Community (E.C.) member countries to take a more open attitude toward China in technology transfer here today. At a meeting with a European Parliamentary delegation for relations with China, Zhang said one of the important ways for European Community countries to compete in the Chinese market is to transfer advanced technologies to China. He expressed his appreciation of the policy of Belgium, France, Federal Germany and other countries to combine technological transfer with trade by way of providing advanced technology to China in some projects. Zhang hoped the E.C. would follow suit to expand cooperation between the two sides. He also expressed his hope for the adoption of the method of combining import with export, and that the European Community would give more favorable terms for Chinese products to be exported to the E.C. This would be conducive to the trade balance and enhance China's payment ability for E.C. exports to China.

He promised that China would improve the quality of its products and manufacture suitable varieties of goods for Europe. The Chinese state councillor described China, the other Third World countries and the E.C. as important factors to ensure world peace and stability. He stressed that the cooperation between China and the E.C. is of great significance for safeguarding world peace. Earlier, the China-European parliament friendship group of China's National People Congress gave a luncheon for the delegation.

Host Return Banquet

OW211700 Beijing XINHUA in English 1554 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- European Parliament delegation for relations with China gave a return banquet here this evening. Among guests present were Chu Tunan, vice-chairman of the Standing Committee of the National People's Congress (NPC), Zeng Tao, Sun Jingwen and Peng Qingyuan, members of the NPC Standing Committee. Delegation leader Enzo Bettiza said that the delegation's visit has strengthened the relations between European Parliament and NPC, which is very important to cooperation between the two parliaments and between executive body of the E.C. and its member countries with China.

Chu said the two days' talks and meetings with the delegation have shown that the two sides share common and similar views on many issues, which provides a solid foundation for the friendly cooperation between China and the E.C., and between the NPC and European Parliament. The delegation will leave Beijing tomorrow to tour other parts of China.

ROMANIAN PRESIDENT MEETS WITH SONG PING

OW200200 Beijing XINHUA in English 0147 GMT 20 May 86

[Text] Bucharest, May 19 (XINHUA) -- Romanian President Nicolae Ceausescu today stressed that no efforts should be be spared in disarmament, especially nuclear disarmament so as to safeguard world peace. He made the remarks during his meeting with Song Ping, the visiting Chinese state councillor and chairman of China's State Planning Committee. "We shared common standpoints and held identical views on basic problems," said the president while praising the close cooperation between China and Romania in dealing with international problems.

Ceausescu expressed his satisfaction with the friendly relationship of cooperation between the two countries, two peoples and the two communist parties and hoped to continue such relations comprehensively in various fields. In view of the friendly cooperation between the two countries and the understanding reached between the leaders, the cooperation between the two countries' planning committees was very important, Ceausescu said, adding that Song's first visit to Romania was a good beginning.

POLAND, PRC SIGN SCIENTIFIC-TECHNICAL ACCORD

OW171857 Beijing XINHUA in English 1422 GMT 17 May 86

[Text] Warsaw, May 17 (XINHUA) -- Poland and China today signed a scientific and technological cooperation program for 1986-1990, the first of its kind ever signed between the two countries. The document stipulates that, as the first step, Poland and China should formulate and implement major scientific-technical cooperation projects of mutual interest, in the fields of mining, power, machine-building, electronics, metallurgy, chemistry, telecommunications, transport, marine economics, shipbuilding, agriculture and food-processing industry, and China's "sparking plan," a blueprint made by the Chinese State Science and Technology Commission. The "sparking plan," covering 24 major fields, is designed to apply advanced technologies to the development of local economies.

Poland has expressed its readiness to help in carrying out the plan. The Chinese-Polish cooperation program was signed here by Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, and his Polish counterpart Zbigniew Szalajda, who is also vice-premier. Song Jian is on a visit here at the head of a Chinese science and technology delegation.

QIAO SHI MEETS POLISH COOPERATIVES' DELEGATION

OW221452 Beijing XINHUA in English 1424 GMT 22 May 86

[Text] Beijing, May 22 (XINHYA) -- Chinese Vice-Premier Qiao Shi met with a delegation from the Central Union of Peasants' Self-Aid Cooperatives of Poland led by its President Jan Kaminski here today. During the meeting, Qiao and Kaminski expressed their belief that the delegation's visit would help develop friendly cooperation between Chinese and Polish cooperatives.

SON OF TUNISIAN PRESIDENT BOURGUIBA VISITS PRC

Meets Xi Zhongxun

OW171021 Beijing XINHUA in English 1001 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Chinese Communist party (CPC) Central Committee, met here today with Habib Bourguiba Junior, son of President Habib Bourguiba and member of the Political Bureau of the Socialist Destour Party of Tunisia. They expressed satisfaction with the growth of friendship and cooperation between the CPC and the Tunisian party since they established relations in 1979. The Tunisian guest arrived here May 15 as guest of the Chinese Foreign Ministry. He will leave here for a tour of other parts of China tomorrow.

Exchanges Views With Zhao

OW171724 Beijing XINHUA in English 1450 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- Premier Zhao Ziyang said here today that a chemical fertilizer company to be jointly run by China, Tunisia and Kuwait was a very good form of South-South cooperation. Zhao made this remark at a meeting with Habib Bourguiba Junior, son of Tunisian President Habib Bourguiba, this afternoon at Zhongnanhai. Zhao said the project indicated broad prospects for South-South cooperation. "We believe that through the joint efforts of the three countries, the project will surely be a success," he added.

Bourguiba Junior said Tunisia was proud of being able to participate in the proposed project in Qinhuangdao, adding that such kind of cooperation would help promote the economic development of the three countries. He noted that the developing countries in the south should strengthen cooperatioin, instead of relying on the developed countries in the north. Of course, South-South cooperation doesn't mean closed-door policy, he added.

Premier Zhao said South-South cooperation should be combined with South-North dialogue. "Once South-South cooperation works well, it can promote South-North dialogue," he noted. Recalling the development of Sino-Tunisian friendship, he said the joint communique on the establishment of diplomatic ties between China and Tunisia signed by the late Chinese Premier Zhou Enlai and President Bourguiba in 1964 laid a solid foundation for the relations of the two countries. The Chinese Government was satisfied with the development of the friendly relations and attached great importance to the expansion of economic and technological cooperation with Tunisia, he said.

Bourguiba Junior said Tunisia was happy to have such good relations of cooperation with China. Premier Zhao praised Tunisia for its neutral and non-aligned policy and its contributions to strengthening the unity of countries in Al-Maghreb region and the Arab world. Zhao also spoke highly of Tunisia's support to the just struggle of the Palestinian people as well as the achievements scored by the Tunisian people in their economic construction.

KUWAIT PLANS TO INVEST IN PRC, USSR

OW181440 Beijing XINHUA in English 1409 GMT 18 May 86

[Text] Kuwait, May 18 (XINHUA) -- Kuwaiti Minister of Finance and Economy Jasim al-Khurafi declared today that Kuwait is going to direct her investment to China and the Soviet Union. In an interview with Kuwaiti daily "AL-QABAS", Al-Khurafi said that the aim of such a trend is to diversify Kuwaiti investment and expand its geographical presence.

Kuwait will realize effective profits by investing petro-dollars in the Soviet Union and China, he said, adding that this, however, does not mean withdrawing Kuwaiti investment from the West. The idea is to expand the area in which Kuwaiti funds are invested in order to reduce risks and to seek better revenue, the minister explained.

On the possibility of refraining from investing in the U.S., the minister said that the U.S. dollar has its own magnetism and provides high interest rate in addition to strong links to the other major currencies. "This, however, does not mean minimizing the significance of the new directions to which our investments are being channeled," the minister pointed out. Al-Khurafi told the National Assembly last week that Kuwait is drawing up plans to seek investment for Kuwaiti funds in China, India, the Soviet Union, Turkey and some other countries.

XINHUA ANALYZES POTENTIAL SYRIAN-ISRAELI CONFLICT

OW170154 Beijing XINHUA in English 0133 GMT 17 May 86

["News analysis: Behind Israel's War Cry Against Syria (Y Wang Lianzhi)" -- XINHUA headline]

[Text] Beijing, May 16 (XINHUA) -- A fresh round of armed conflict between Israel and Syria seems to be imminent as Israel is intensifying its military buildup along its border with Lebanon, sending large quantities of tanks, artillery and armored vehicles there. Since last December when Syria moved its anti-air missiles into Lebanon, tension between Israel and Syria has been escalating. Recently, Israeli leaders have threatened to attack Syria on the pretext that Syria supports terrorism, forcing Syria to put its armed forces on an all-round alert.

On April 23, shortly after the second U.S. air raid on Libya, U.S. President Ronald Reagan declared that his country would take "similar actions" against Syria and Iran if "irrefutable evidence" of their involvement in terrorist activities is available to his government. However, though the U.S. Government has repeatedly censured Syria's "assistance" to terrorism, it has not yet decided if it would take actions against the country similar to those against Libya. And there are a number of reasons for the indecision.

First, a U.S. raid on Syria may incur the danger of direct confrontation between the United States and the Soviet Union as Syria is linked with the latter by a treaty of friendly cooperation.

Second, Syria has far more advanced Soviet-made weapons than Libya. The losses to be suffered in an air raid on the country may be much greater than those on Libya.

Third, the United States has diplomatic relations with Syria. It would not be in its interests for the Reagan administration to keep Syria from the Arab-Israeli peace process. Moreover, it does not want to see the U.S.-Arab relations deteriorate and get out of control.

But the Reagan administration's war cries, as the British "FINANCIAL TIMES" pointed out, were a great encouragement to Israel.

Yitzhaq Rabin, Israel's minister of defense, arrived in Washington on May 6, to have secret discussions with American officials and claimed at several occasions that Israel had already got evidence of Syria's involvement in placing explosives on an Israeli airliner at London's Heathrow Airport on April 17. Upon his return home, he claimed at the Tel Aviv airport that Israel will start an all-round war against terrorism. But, "anti-terrorism" is in fact a newly-created pretext by Israel to pursue policies of aggression and expansion against its neighboring Arab countries.

Early in the year, while the U.S. fleet was threatening Libya from the Gulf of Sidra, Israeli Premier Shimon Peres declared that Israeli troops should by no means keep the Israeli-Syrian frontline quiet, and Rabin described Syria as the only Arab country which poses a direct threat to Israel. The terrorism charges proved to be groundless. The reason that Israeli leaders raised the war cry is that Syria has noticeably increased its military power since 1982.

The Syrian Armed Forces now boost some 400,000 soldiers, 4,600 tanks, 4,000 artillery batteries and 650 jet fighters. They have also been equipped with Soviet-made SAM-5, SAM-10, and SAM-11 anti-aircraft missiles and SS-21 medium-range ground-to-ground missiles.

In comparison, Israel has 3,500 tanks, 2,500 artillery batteries and 800 jet fighters, and its armed forces have only 170,000 soldiers, though they could be expanded to 450,000 within three days by emergency mobilization. In such a situation, some strategists have proposed Israel make a blitz as soon as possible to destroy the increasing Syrian military power, at least part of it. Only through this way, they believed, could Israel strengthen its forces which were weakened in the Lebanese war, and secure domination over the Middle East. Hence, people can see clearly the true intention of any possible Israeli attack on Syria.

The Israeli Government will be reshuffled in October when power is transferred to the ultra-right Likud group which is known for its intransigence toward the Arab world. Therefore, how the Arab-Israeli coflict will develop is still hard to predict. But Israel's war cry against Syria and its military buildup along its border with Lebanon have aroused concern in the Middle East and elsewhere.

OFFICIALS DETAIL EARLY SATELLITE LAUNCHING PROBLEMS

HK230328 Hong Kong AFP in English 0324 GMT 23 May 86

[Text] Beijing, May 23 (AFP) -- Officials here have revealed the difficulties encountered in early tests of the Long March rockets China is now marketing internationally as satellite launch vehicles. These included the explosion of a two-stage Long March Two and its satellite cargo in 1974, and the inability of the first three-stage Long March Three in 1984 to put a satellite into geostationary orbit -- movement at the same speed as the earth's rotation.

Officials of the firm selling the rockets, China Great Wall, spoke to reporters here Thursday. "In the past, we weren't very open and there was mis-reporting about China's launch program, so they (foreign firms) didn't understand very well our capability," said Chen Shouchun, a senior engineer and rocket expert. Causes of both mishaps had been discovered quickly and foreign satellite firms that examined China's recent launches were now confident in its ability to place satellites in near-earth and geostationary orbits, he said.

Early difficulties described by Mr Chen included the explosion, 20 seconds after launch, of a Long March Two that had begun to waver from its course because a wire connected to the gyroscope had come loose. Debris from the rocket, a mere 200 metres (640 feet) on an inclined course away from the launch pad when it detonated, destroyed public toilets below but caused no casualties and no other damage, Mr Chen said.

A Western diplomat among the handful of foreigners recently permitted to visit Xichang, the southernmost of China's two launch cites in southwestern Sichuan Province, said they were shown control rooms heavily fortified "like bunkers" but had not been told of any mishaps.

Mr Chen said the second mishap occurred during the "partially successful" trial launch of the Long March Three which was unable to put its satellite into position because engines meant to boost the rocket from near-earth to geostationary orbit fired imp ›perly. The satelllte remained in near-earth orbit and was used in experiments for a year, he said.

Both problems were quickly corrected, with technicians discovering the fault in the Long March Three and successfully launching China's first geostationary satellite just 70 days after the first attempt, Mr Chen said.

China Great Wall announced it was marketing launch services last October. It has signed two letters of intent -- with Sweden for a near-earth telecommunications satellite, and with a U.S. firm for two geostationary telecommunications satellites retrieved by a space shuttle from faulty orbits.

China has launched 19 satellites, two of them geostationary, since 1970. Great Wall officials said they intended to price their launch services 10 to 15 percent below international rates of about 30 million dollars per launch, and expected to have their first commercial launch in October 1987.

PLA CHIEF YANG DEZHI RETURNS TO BEIJING 22 MAY

OW221556 Beijing XINHUA in English 1451 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army (PLA), and his party returned here this evening via Japan from a visit to the United States.

Greeting him at the airport were State Councillor and Minister of Defense Zhang Aiping, director of the General Logistics Department of the PLA Hong Xuezhi and diplomatic officials of the U.S., Japanese and French Embassies in Beijing.

THREE PEOPLE ARRESTED IN BEIJING FOR PROFITEERING

OW221722 Beijing XINHUA in English 1483 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Three people in Beijing have been arrested for involvement in a profiteering racket amounting to 28 million yuan.

They were said to have engaged in illegally reselling foreign currencies, cars, steel and color TV sets. They worked for the corporation of State Farms combining Agriculture, Industry and Commerce, which is attached to the Ministry of Agriculture, Animal Husbandry and Fisheries.

The scandal has seriously harmed the state financial and market order and hampered the country's economic reform, according to the Central Commission for Discipline Inspection of the Communist Party of China and the Supreme People's Procuratorate, which undertook to investigate the case.

According to the investigation report, former deputy general manager of the corporation Wang Ying, and two other employees -- Yang Youli and Lan Yutian -- cheated the state foreign exchange control departments into allowing them to import parts of TV sets for assembly. Under this disguise, they managed to collect 55.4 million U.S. dollars, and made a profit of 12.29 million yuan out of buying and reselling it.

In July 1984, Yang Yu, corporation general manager, approved an application from these three for importing cars under the name of the Ministry of Agriculture. They were then allowed to buy 700 Japanese cars for the use by the ministry. Despite the state regulations prohibiting reselling imported cars for profit, they sold the cars and made an additional 15.77 million yuan in profit.

One month earlier, Yang Youli bought 4,000 tons of steel from a foreign trade company in Beijing, saying it was urgently needed by state farms for construction and production. The steel was then sold to enterprises in Hebei Province at a hefty profit.

Zhao Fan, an ex-member of the party leading group of the ministry, is accused of neglect of duty. Without the permission of the group, he signed four applications for raising foreign exchange for importing cars, motorcycles, color TV sets and a large amount of other goods.

Zhao Fan, Yang Yu and another official are accused of having committed serious bureaucratic mistakes. They received a grave warning from their party organization, with the approval of the Central Discipline Inspection Commission. The party leading group of the ministry also made self-criticism for overlooking the profiteering activities within the ministry.

RENMIN RIBAO Commentator's Article

HK230858 Beijing RENMIN RIBAO in Chinese 23 May 86 p 1

[Commentator's article: "State-run Companies Should Take the Lead in Observing Discipline and Law"]

[Text] This newspaper today published a report on an economic crime case perpetrated by some personnel of the Corporation of State Farms Combining Agriculture, Industry, and Commerce, which is attached to the Ministry of Agriculture, Animal Husbandry and

Fisheries. It is serious and major case of profiteering in resale of foreign exchange, automobiles, rolled steel, color television sets, and other materials. It happened in a state-run land reclamation enterprise, which is an economic entity, with exchanges of official correspondence stamped with official seals and inscribed with official instructions. The resales were primarily handled and approved by state functionaries.

A distinguishing feature of the case is the use of the name of a state-run company, some leading cadres' bureaucracy, and fraud to "legalize" illegal operations. The perpetrators fabricated justifications to obtain foreign exchange illegally and grabbed a huge amount of illegal income from profiteering in reselling a large quantity of materials, including automobiles imported in the name of the Ministry of Agriculture, Animal Husbandry, and Fisheries. They have caused serious losses to the state.

In our country, and organizations or individuals engaging in business operations, particularly state-run companies, must observe discipline and law and work for the development of socialist commodity economy. It is entirely justifiable for enterprises to stress economic benefits and use legitimate means to increase profits. However, it is absolutely impermissible to grab "ill-gotten gains" or "illegitimate income" in violation of the party's policies and the state's laws and regulations. In the last few years our country's economic life has become unprecedentedly vigorous because of the policy of opening to the outside world and invigorating the domestic economy. Our current policies still cannot draw specific lines of demarcation on some questions, and some of our economic legislation needs to be further improved. However, in major aspects and some basic principles, it is not at all difficult to distinguish between legality and illegality. Those of the Corporation of State Farms who are directly involved in the case have indeed committed crimes no matter what excuses they have. They entirely deserve the legal investigation and action that results from criminal activities.

The leading comrades of the Ministry of Agriculture, Animal Husbandry, and Fisheries neglected their duties, as evidenced by the fact that the serious crimes committed by some personnel of the Corporation of State Farms escaped their attention for a very long time. A member of the leading party group of the ministry with important leading responsibility has been punished according to party discipline. The punishment, as a means to prevent future mistakes, is very necessary. Our leading organs and leading cadres should fully know the arduousness and complexity of shifting from the old to a new structure, should do their work well, should firmly promote reforms, and should solve problems in the course of shifting from the old to the new structure. Leading organs and leading cadres should create the cadres of subordinate units to not be blinded by lust for gain or to use loopholes during the shift from the old to the new structure to seek illegitimate interests for themselves or their organizations. In particular, leading organs and leading cadres should maintain a high degree of vigilance to prevent lawless individuals from committing such crimes as speculation, profiteering, embezzlement, theft, bribery, fraud, smuggling, and selling smuggled goods under the present situation, and to prevent them from succeeding in their crimes.

While implementing the economic policy of opening to the outside world and invigorating the domestic economy, it is necessary to imphasize the solemnity of discipline and law; otherwise, there will be no guarantee for opening to the outside world and invigorating the domestic economy. State-run companies should set strict demands for themselves and play an exemplary leading role in observing discipline and law. The investigation and handling of the case of the Corporation of State Farms has sounded an alarm bell. State organs and state-run companies should duly draw a lesson from the case.

ECONOMIC COMMISSION CONDUCTS QUALITY SPOT CHECKS

OW212355 Beijing XINHUA Domestic Service in Chinese 1152 GMT 21 May 86

[By RENMIN RIBAO reporter Li Wen and XINHUA reporter Li Anding]

[Excerpts] Beijing, 21 May (XINHUA) -- The State Economic Commission issued Public Notice No 5 today concerning spot checks on product quality. It pointed out: All kilowatt-hour meters, power transformers, pneumatic coal picks, and industrial grade sulphuric acid produced are up to standard. However, products such as electric blankets, relief printing paper, short polyester fiber, and tape recorders are fairly poor in quality. We need to improve the quality of these products.

The announcement of this public notice is the result of a spot check of 20 categories of product during the first quarter of this year. A spot check of 464 products from 345 enterprises reveals that 34.7 percent of the products checked have failed to meet the standards.

In the spot check, the quality of electric blankets is the worst. Only 11.6 percent of the 43 blankets produced by 27 enterprises reached the state standard. The electric blankets produced by the Yongji Insulated Tubing Factory in Jilin are unsafe. They failed to pass the tests in electrical resistance, leakage, or insulation. The State Economic Commission has ordered this factory to stop production and sales immediately.

Only 36 percent of the short polyester fiber samples met standards in a spot check. The products from the Fushun Polyester Factory and the Siping Synthetic Fiber Plant in Jilin are of high quality, while the products from nine other enterprises are comparatively poor in quality.

In its circular attached to the public notice, the State Economic Commission pointed out: Various localities must reward directors of those factories which have passed repeated spot checks or those factories which have failed to pass spot checks in the past, but have passed the spot check in the first quarter of this year after correcting errors and carrying out reforms. Directors of those factories which have failed to pass spot checks in the first quarter of this year must be seriously dealt with and called to account to pin down the responsibility in turning out inferior products. Disciplinary measures must be taken against such factory directors. Those factory directors who pay little attention to product quality and refuse to earnestly correct their errors and carry out reforms must be resolutely relieved from their posts.

LIAOWANG ON RESONSIBILITY OF YOUNG CADRES

HK220308 Beijing LIAOWANG in Chinese No 19, 12 May 86 p 4

[Commentator's article: "Great Trust and Heavy Responsibility"]

[Text] When talking recently to some cadres at the grass-roots, level, Comrade Hu Yaobang said that great changes have taken place in our country over the past few years and an excellent situation has emerged in our country. The excellent situation has been brought about mainly by implementing correct policies and promoting a large number of young and middle-aged cadres who are in their prime.

Since the implementation of correct policies is obvious to all, there is no need to say anything more on it. However, since the significance of promoting a large number of young and middle-aged cadres who are in their prime is not yet understood by all the comrades, we should pay attention to this question.

Since the CPC Central Committee put forward that the contingent of cadres must realize the "four transformations" -- revolutionary, younger, knowledgeable, and professional -- over 2 million younger cadres have assumed leading posts at various levels and 2 or 3 million veteran cadres have retired from leading posts at various levels over the past few years. The smooth replacement of veteran cadres by younger cadres is an amazing achievement! Its profound significance has also been acknowledged by some foresighted politicians in foreign countries, who praised it as "a remarkable success." We can clearly see three aspects of this success: 1. The work of leadership is now full of vigor and vitality; 2. The continuity and stability of our party's correct line and general and specific policies have been guaranteed; 3. Fresh experience have been created for the construction of the contingent of cadres, replacement of veteran cadres by younger cadres, and cooperation between veteran cadres and younger cadres in the future. Some foreigners and even some Chinese are worried or have doubts about the continuity and stability of China's policies and reform strategy. That over 2 million younger cadres have recently been appointed to leading posts at various levels and will continue to carry out our party's correct policies and reform strategy is the most convincing reply.

Now that a large number of young and middle-aged cadres have assumed leading posts, the people place high hopes on them and greatly trust them. The reason is that they will lead the people toward the year 2000 and lead them to realize the grand goal of modernizing China. So. we can say that they are shouldering heavy responsibilities. If, during the Sixth 5-Year Plan period, our party relied mainly on veteran cadres to bring order out of chaos and create a relatively good situation, then during the Seventh 5-Year Plan period and even during the Eighth 5-Year Plan period, our party will rely mainly on the newly formed leading bodies and young and middle-aged cadres to open up new prospects. When talking to the cadres of Hebei Province, Comrade Hu Yaobang said that during the Sixth 5-Year Plan period, things were decided mainly by the central authorities, so all the people just waited for the central authorities to make decisions; however, during the Seventh 5-Year Plan period from 1986 to 1990, the people of the whole country will look to you -- look at the provinces, cities, prefectures, counties, and townships -- to see how the new leading bodies will carry out the general and specific policies decided by the central authorities in a creative way!

Comrade Hu Yaobang's remarks are sincere, earnest, and true to the fact.

How to assess the work done by the young and middle-aged cadres who have recently assumed leading posts? How should the new leading bodies set strict demands on themselves? There are many measures for us to adopt, of which the following two are probably the most important.

First, opening up a new prospect. Successful realization of the Sixth 5-Year Plan has laid a good foundation for the development of various aspects of our country; the Seventh 5-Year Plan has provided the orientation and the framework so that we now have the prerequisite. However, the central authorities have made the policies in compliance with the overall situation across the country.

Since China is a big country and the situation differs from place to place and from trade to trade, it is impossible for the central authorities to make concrete and detailed decisions on all questions. Thus, the leading bodies of various localities and departments should act in line with their actual situations and create fresh experiences and measures to carry out the general and specific policies of the central authorities. They should do at least two things: 1. Carry out investigation and study. Only when the situation is clear can we make correct decisions; 2. Seek truth from facts. Do not try to please the public with claptrap, but try to be practical and realistic and do things according to the actual situation. By doing these two things, being bold and cautious, making decisions once we are certain of success, and making unremitting efforts, we will surely open up a new prospect and promote the continued development of all things. If "no changes have taken place" after a new leading body has existed for 1, 2, or 3 years, we should find out where things have gone wrong. The people will also have the right to ask: What the hell are you doing there?

Second, stressing party spirit: All party members and cadres, especially leading cadres, must adhere to the party spirit and principle, which means that they must adhere to the four cardinal principles and serve the people wholeheartedly. The sole basic purpose of the communists in doing things is to serve the people, be responsible to the people, and value the interests of the people above all else. If we do things in this way, the people will certainly support and trust us, all difficulties will surely be overcome, our cause will greatly develop, and a new situation will soon emerge. On the other hand, if we do not do things this way, but instead proceed from personal relations, give undue consideration to a minority of people regardless of principles, encroach on the interest of the state and the majority of the people, and even do things that deviate from party policies or violate the party's fundamental aim, run counter to the fair, just, and selfless quality of party members and cadres, and violate the party's discipline and principle, the people will certainly not support us, and we will certainly accomplish no great cause.

A veteran comrade said he was pleased to see so many black-haired heads at the meeting. Although his remarks were very simple, they show that the old generation is happy to see so many successors to the revolutionary cause and trust their successors. His remarks also show that great changes have taken place in our cadres' contingent. Over 2 million cadres who are in their prime are now active in leading posts at various levels on various fronts. This new situation shows that today's China is flourishing and thriving. Owing to the lack of experience and, sometimes, insufficient consideration, the new cadres will inevitably make mistakes, do stupid things, or do things without thought. The veteran cadres should understand, show concern for, and support the new cadres and should not hurt their spirit. The new cadres should make unremitting efforts to improve themselves, always bear in mind their heavy responsibility and the trust of the people, and be determined to open up a new prospect during the Seventh 5-Year Plan period with a new style and a new manner. Such a prospect stands a very good chance of success.

WENZHAI BAO VIEWS EFFECTS OF THREE GORGES PROJECT

HK200927 Beijing WENZHAI BAO in Chinese No 311, 11 May 86 p 3

[Report: "KEXUE BAO Publishes Articles Discussing Three Gorges Project"]

[Text] Since 26 April KEXUE BAO has selectively published articles by scientific and technological personnel discussing the three gorges project.

In his article, Luo Bingzhen, an associate research fellow of the Ocean Research Institute of the Chinese Academy of Sciences, believes that the lower reaches and delta areas of the Chang Jiang are the most developed areas in China in communications, transport, economy, industry, agriculture, and fishery. The river mouth, where salt water joins river water, is a place for economic organisms to live and breed. For this reason, while studying the influence of the three gorges project on ecology and the environment, attention should be paid to the influence of the project on the river mouth area.

In his article of 3 May, Hou Xueyu, a member of a department of the Chinese Academy of Sciences believes that the three gorges dam, which is a great project for transforming the water of the Chang Jiang, will inevitably result in chain reactions in ecology, environment, and the resources of the whole Chang Jiang valley. In order to properly use the funds for building the "four modernizations" and to benefit our descendants, we must adopt a scientific attitude and never repeat the previous mistake of "taking action before reaching a conclusion."

1. The Ecology, Environment, and Resources of the Reservoir Area

The location of the three gorges project is the so called "land of abundance" in China. After completion of the project, some hundred thousand mu of relatively fertile alluvial soil and unrivalled purple hilly land, abundant in phosphorus and potassium, along the Chang Jiang will be inundated. This will inflict heavy losses to areas which produce grain, fine-quality organes, and other subtropical economic crops such as tung tree, Chinese tarrow tree, and mulberry. The project will inundate 10-20 counties (cities), including arable land, houses, factories, and power stations, and result in the migration of several hundred thousand to one million people. The heavy losses resulting from the inundation will be unmatched in any other of the world's large reservoirs. The reservoir will also inundate many major cultural relics, historical sites, and scenic spots. In addition, due to a complicated geological structure, the completion of the dam will probably lead to a catastrophic earthquake. Once war breaks out, the three gorges project will become the enemy's major target, which we must by no means ignore.

2. The Ecology, Environment, and Resources in the Upper Reaches of the Reservoir Area

Soil erosion will shorten the life of the reservoir, and silt deposits will upgrade the position of the riverbed and inevitably harm water transportation in the upper reaches of the reservoir. There is only one exit in the Chang Jiang for the enormous water from the upper reaches of the three gorges to pass through. In case there are big floods, not only the middle and lower reaches areas will eventually be inundated, but the backwater from the big dam will also move to the basins to inundate the areas of Chongqing and Hechuan.

There are some 80 kinds of fish in the upper reaches of the Chang Jiang, and most of the fish have the habits and characteristics of rapid water dwellers. The completion of the dams will result in a drop in the number of these fish. As the water moves more slowly, the self-cleaning capability of polluted water will be weakened and there will be more pollutants in the Chang Jiang.

3. The Ecology, Environment, and Resources in the Middle and Lower Reaches of the Reservoir Area

The three gorges project will play a limited role in preventing and resisting floods in low-lying land in Jingjiang, but will affect the growth of migrating fish in the middle and lower reaches of the reservoir area. Adjusting the stored water of the reservoir annually will result in the resistance of run-off tidal currents. This will strengthen the eroding capability of sea water, jeopardize the safety of seawalls, and harm water navigation.

GUOJI SHANGBAO ON LABOR SERVICES TRADE

HK200752 Beijing GUOJI SHANGBAO in Chinese 8 May 86 p 4

[Article by Xiao Haiquan: "Labor Services Trade and Economic Development"]

[Text] The volume of the world's labor services trade is considerably great currently, accounting for one-fourth of the total volume of world trade. Based on an estimate by the Invisible Commodities Committee, London, the growth rate of the world's labor services trade exceeded the commodity trade in the first 6 months in 1979. Labor services have been regarded as "a new realm for expanding export marketing," as well as the "second battlefield for export trade." Labor services is also known as "one of the several economic pillars in the world." The important position of labor services can be well understood when it is given such stress. But what are the effects of the flow of labor forces on a worldwide scale on the economic development of various nations?

The import of labor forces has brought many advantages to labor services import countries. The import of labor services may help mend the shortage of labor forces (heavy manual labor in particular) for developed capitalist countries. At the same time, cheap foreign labor forces may be used to threaten the workers' employment, in order to reap greater profits while saving the expenditures for training the laborers. For example, between 1953 and 1973, the FRG would have spent $33 billion on training the same number of its own workers as foreign workers, but the remittance of foreign workers during the same period was only $8.8 billion. The inflow of foreign intellectuals to the United States plays an important role in the U.S. development of science, technology and economy. Since the Persian Gulf nations began importing a huge volume of labor forces, their national economic development has greatly enhanced. Foreign workers have not only helped these nations build a large number of projects, but also played an important role in industrial production and management. Despite the fact that the influx of a large number of foreign labor forces has brought about some difficulties in housing, communications, prices, and catering, foreign labor forces have become an indispensble force in the economic construction of these countries.

To labor forces exporting countries, the advantages of labor services export primarily lies in greater income in foreign exchange, a balance in international revenues and expenditures, and covering the foreign trade deficit. In 1980, the income in foreign exchange derived from labor services export of developing nations was $17.5 billion, of which, South Asia accounted for more than $3 billion, and the Middle East and North African region more than $5 billion. In 1978, the volume of remittance from overseas Egyptians was $956 million, 60 percent more than the income derived from the tourist industries. Pakistan brought in an income of $2.1 billion worth in foreign exchange derived from labor services export, almost an equal of the income derived from commodity export in 1981. In 1978, South Korea imported oil from the Middle East, its expenditures in foreign exchange were far less than its income in foreign exchange derived from its contracted projects in the Middle East. Second, the export of labor services has the advantage of relaxing unemployment and expanding employment.

In the Philippines, which has a rather high unemployment rate, around 400,000 people need work arrangements on an annual basis; however, only about 300,000 jobs can be provided at home. This country has exported an accumulated labor force numbering 1.3 million people to 103 countries over the years. In 1981, every one of five newly employed in the Philippines got his position abroad. Third, foreign acvanced technologies can be learned. Hundreds of thousands of Yugoslavians are working abroad, of whom, two-thirds were non-skilled laborers, but now they have gradually become skilled workers. And fourth, it will bring along commodity exports. Through contracting construction projects in the Middle East, South Korea has continuously exported various categories of commodities related with contracted projects to the Middle East, such as trucks, complete sets of equipment, electrical appliances, and textile products. South Korea's export volume to the Middle East rose drastically from $10 million in 1971 to $2.4 billion in 1978.

Developing labor services export and contracting engineering projects is a component part of China's opening to the world. China has signed more than 2,300 contracts on rendering labor services to 73 countries and regions beteen January 1979 and June 1985, involving an accumulated sum of more than $4.6 billion. More than 50,000 people were involved in labor services abroad in 1985. China has realized certain accomplishments in labor services cooperation abroad; however, regarding the number of people sent abroad and the volume of transactions, the proportions are rather small in the world market. For China's socialist modernization, it is necessary to strengthen research on the world market for labor services, to bring into full play the advantages of our rich manpower resources, to open up new markets, and to continue to unfold cooperation in labor services with foreign countries in a big way.

MORE STUDENTS TO STUDY ABROAD IN 5 YEARS

OW141208 Beijing XINHUA in English 1141 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- The number of state-funded students going abroad in the next five years is likely to remain at roughly the same level as in recent years, a State Education Commission meeting here was told.

But the overall number will increase because local authorities are encouraged to exchange students with other countries and to raise funds to send people to study abroad, said a report of the meeting.

Over the past seven years, more than 30,000 government-funded students have studied abroad about twice the number for the first 17 years after liberation. And another 8,000 students have supported themselves overseas since the end of 1978. The report said that in view of the expansion of higher education in China, more students would be sent to study for doctorates abroad and fewer for masters' degrees.

The meeting, which ended on Tuesday, agreed that it was China's long-term policy to send people overseas to study with the aim of boosting the country's modernization drive. Guidelines worked out by the meeting stipulate that the practice of sending people abroad to study must serve the needs of the country's modernization. One important result must be a greater number of skilled scientists able to solve complex scientific and production problems.

The Education Commission plans to open new channels for sino-foreign co-operation on scientific research and on the training of Chinese students taking doctorates.

Students who obtain scholarships or other financial support in foreign exchange will also be included in the national program. The meeting called on national and local authorities to show the same concern for self-supporting students as for government-funded ones, and to assist them in the expense of returning to China and setting up home here upon graduation.

URBAN MILITIA WORK LINKED TO ECONOMIC REFORM

OW212339 Beijing XINHUA Domestic Service in Chinese 0732 GMT 21 May 86

[By reporter Cai Yumin]

[Excerpts] Beijing, 21 May (XINHUA) -- The National symposium on urban militia work held recently indicated that China is making headway in urban militia work while reforming its economic system. China is adapting its work on urban militia to its economic reforms and taking the path of strengthening the country's reserve forces for national defense.

With the continuous development of reform in the economic system in the cities over the past few year, new situations have arisen in urban militia work. Under the leadership of the local party committees, governments, and the military departments at the higher level, the various People's Armed Forces departments have carried out a series of reforms in their leadership system, work methods, education, and training programs for the urban militia. They have made work more compatible with the new situation in reforming the economic system in the cities and opened up a new path in strengthening the reserve forces for national defense.

Currently, a new situation prevails in national urban militia work. More and more cities and basic-level units regard their militia work as an task assigned by the state to the enterprises. They have integrated militia work in their management plan, and set up, and improved, the responsibility system for militia work.

In the course of reforming the economic system, many cities have organized and aroused the militiamen to take the lead in reforming the enterprises, participate in labor emulation drives, conduct scientific research, carry out innovations, and develop spiritual civilization. All such activities have not only helped the enterprises develop, but have also opened an even broader avenue in militia work.

DENG LIQUN, ZHU MUZHI AT PRESS CEREMONY

OW092048 Beijing XINHUA Domestic Service in Chinese 1335 GMT 9 May 86

[By reporter Zhang Baorui]

[Excerpts] Beijing, 9 May (XINHUA) -- How many newspapers and periodicals are published in China? The answer can be found from a national exhibition of newspapers and periodicals, which opened at the Museum of the Chinese Revolution in Beijing today. Currently there are over 6,000 newspapers and periodicals published at the country level or above throughout the country.

Deng Liqun, member of the Secretariat of the CPC Central Committee, cut the ribbon at the opening ceremony for the exhibition.

Attending the opening ceremony were also officials from departments concerned Zhu Muzhi, Guo Chaoren, Zeng Jianhui, Ma Zhongyang, and Li Yuanchao.

XI ZHONGXUN, OTHERS HONOR DECEASED LINGUIST

OW160224 Beijing XINHUA Domestic Service in Chinese 1350 GMT 14 May 86

[Excerpts] Beijing, 14 May (XINHUA) -- A ceremony to pay last respects to the remains of Comrade Wang Li, member of the Sixth National CPPCC Committee's Standing Committee, Beijing University professor and noted linguist, was held this afternoon at the auditorium of the Babaoshan Cemetery for Revolutionaries.

Professor Wang Li was a noted Chinese nonparty democratic figure. He died of illness in Beijing on 3 May 1986. He was 86. Before his death he had served as an adviser to the State Committee for Spoken and Written Language Work, honorary president of the China Linguistics Society, and honorary president of the China Society for the Study of Phonology.

Wreaths were sent by Zhao Ziyang, Deng Yingchao, Xi Zhongxun, Li Peng, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhaoguo, Song Renqiong, Zhou Gucheng, and Yan Jici. Also sending wreaths were chairmen of the National CPPCC Committee, the Standing Committee of the National People's Congress, the State Council, the National CPPCC Committee, and the relevant central state organs.

To the strains of funeral music and wearing white flowers on their shirts, Comrades Xi Zhongxun, Hu Qili, Li Peng, Deng Liqun, Zhou Gucheng, Yang Jingren, Gian Changzhao, Zhou Peiyuan, Miao Yuntai, Qian Xuesheng, and Lei Jieqiong; responsible persons of departments concerned; representatives of teachers, students, and other employees of Beijing University; and people of various circles stood in salute silent to this outstanding Chinese linguist, educator, poet, and translator. They also extended sincere sympathy to his wife, Xia Weixia, and other relatives.

A number of foreign scholars and professors in Beijing also attended the ceremony.

XI ZHONGXUN SPEAKS AT TIBET CENTER OPENING

OW201719 Beijing XINHUA in English 1450 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- The inauguration today of a new research center to study the history, culture and sociology of Tibet was praised by a Chinese leader, Xi Zhongxun.

Xi, a member of the Political Bureau of the Chinese Communist Party Central Committee, noted that the inauguration was a major event for Tibetans and all Chinese, especially for Tibetan and Han scholars.

"The study of Tibet originates in China," he noted, adding that Tibetan research had become an independent branch of social science. Scholars should combine theoretical research with reality, with the building of a new Tibet and improving the life of Tibetans. He also called for academic exchanges with the outside world in Tibetan research.

Doje Cedain, former chairman of the Tibet Autonomous Regional People's Government, was elected director general of the research center. Doje suggested that the center will guide and coordinate national Tibetan research efforts, conduct research into key items, train scholars, collect literature and organize inter and external academic exchanges.

He welcomes patriotic Tibetan scholars residing abroad to cooperate with the center and also welcomes foreign researchers to work in China. The center will award masters and doctoral degrees to outstanding scholars both at home and abroad.

Present on the occasion were Chinese leaders Hu Qili, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyi Gyaincain, Zhou Gucheng and Yang Jingren.

XI ZHONGXUN SPEAKS ON HANDLING LETTERS, VISITORS

OW212313 Beijing XINHUA Domestic Service in Chinese 1043 GMT 21 May 86

[By reporters Zou Aiguo and Sun Yong]

[Excerpts] Beijing, 21 May (XINHUA) -- The national symposium on the work of handling written and oral complaints was held in Beijing from 15 to 21 May. Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, gave a speech at the symposium today. On behalf of the CPC Central Committee, he extended cordial greetings to those comrades who have worked hard in handling complaints. He said: Those who handle written and oral complants have played a significant role in bringing about the stable and united political situation in China.

Comrade Hu Yaobang's views on the work of handling complaints were relayed at the symposium. He called on the party and government departments at all levels to regard the complaint handling as a important long-term task and give proper guidance to such work. Hu Yaobang pointed out: "It is extremely important for the ruling party to maintain regular ties with the masses, listen attentively to their voices, understand their aspirations, concern itself with their weal and woe, and satisfy their justified demands by properly treating the letters the people send in and the complaints they make when they call."

On the afternoon of 20 May, Xi Zhongxun, Yang Shangkun, Hu Qili, Qiao Shi, Peng Chong, and other comrades met with those attending the national symposium and the All-Army symposium on the work of handling written and oral complaints.

In today's speech, Xi Zhongxun emphatically pointed out: Letters from the masses and their personal calls constitute an important channel for the party to maintain ties with them. We should accept the supervision of the masses and do an even better job in promoting our revolutionary cause by properly dealing with the written and oral complaints of the masses.

During the symposium, representatives from various localities analyzed complaint handling, summed up and exchanged experiences in this respect, and discussed how to further improve work under the new situation.

The symposium was jointly sponsored by the General Office of the CPC Central Committee, the General Office of the NPC Standing Committee, and the General Office of the State Council. Attending were relevant responsible persons of the party committees of various provinces, autonomous regions, and municipalities directly under the central government; responsible comrades in charge of the work of handling written and oral complants to the relevant departments under central and state organizations and the PLA General Political Department; as well as representatives of some cities, counties, and enterprises, totaling 200 people.

CIRCULAR URGES STABILIZING VEGETABLE PRICES

OW071354 Beijing XINHUA in English 1221 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Vegetable prices should be stabilized throughout China, according to the State Administration of Commodity Prices.

The administration reprinted a proposal from the Liaoning provincial bureau office in a circular issued to all bureaus as a point of reference.

The proposal contains five points:

-- give attention to supervising the major seasonal vegetables prices.

-- punish those vendors who conduct hard purchasing and selling, sell shoddy goods or unethically raise vegetable prices at the fairs.

-- punish those who break the official price guidance regardless of whether it is a state-run, collective-run or privately-run business.

-- further propagate the state price policy and praise the policy enforcers and criticise the policy breakers through the media.

-- set up both professional and amateur price monitoring groups from different government departments.

WAN LI ATTENDS WU ZUOREN ART EXHIBIT

OW302148 Beijing XINHUA in English 1612 GMT 30 Apr 86

[Excerpts] Beijing, April 30 (XINHUA) -- An exhibition of art works by veteran Chinese painter Wu Zuoren, celebrating the 60th anniversary of his career, opened here today in the China art gallery.

On display are 241 pieces of painting, oil works and other artistic creations highlighting the renowned painter.

Present at today's opening ceremoney were Wan Li and many other party and state leaders, as well as about 1,000 art lovers. Also attending were ambassadors and diplomatic envoys to China of many countries, including Britain, France, Italy, Australia, Switzerland and India. Sponsored by the Ministry of Culture and the Chinese Artists' Association, the one-man exhibition will run through May 14.

ULANHU RECEIVES CHIFENG CITY SONG, DANCE PERFORMERS

SK060103 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 May 86

[Text] On the morning of 30 April, Ulanhu, vice president of the PRC, received some members of the Chifeng City national song and dance troupe, which came to Beijing for performances, as well as some responsible comrades of the pertinent departments of Chifeng City and Nei Monggol Region.

Vice President Ulanhu viewed with great interest the performances staged by this troupe, and then delivered a speech. In line with the national etiquette, comrades of the troupe presented a hada and good wine to Vice President Ulanhu. Then a performer of the troupe presented some self-made Mongolian musical instruments to Vice President Ulanhu. After a comrade of Chifeng City introduced the process of discovery and manufacturing of these ancient Mongolian musical instruments, Vice President Ulanhu said: The Mongolian musical instruments are full of distinctive national features.

It is work of great significance that you have discovered those neglected national instrucments, and have improved and popularized them. In the future, you should continue to improve and popularize these instruments, and should pay attention to training competent players.

Ulanhu also said: Next year will be the 40th anniversary of the founding of the Nei Monggol Region. Over the past 40 years, the region has registered progress in the fields of economic construction, culture and art, education, and public health and the people's ideological and cultural competence has been raised. I hope that the Nei Monggol Region will vigorously grasp the building of the material and spiritual civilizations, and strive to enable the masses of Mongolian and other minority nationalities to rapidly end their poverty and become prosperous.

After the reception, Vice President Ulanhu posed for a photograph with some of the performers.

LABOR MINISTER STRESSES NEED TO CREATE NEW JOBS

OW061051 Beijing XINHUA in English 0956 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- China faces the imposing task of creating at least 45 million urban jobs during the Seventh Five-Year Plan (1986-1990), compared with 35 million jobs created during the Sixth Five-Year Plan (1981-1985).

In addition, an estimated 100 million rural farmers may be pursuing jobs other than farming during the same period, although the government has adopted strict measures to prevent the influx of rural labor into the cities.

During the current national conference on labor and personnel affairs, Chinese officials estimate that jobs will need to be created for 30 million new entrants and 15 million employees who will become surplus labor at state-owned enterprises during the next five years.

These new workers will put fresh strains on urban employment, said the minister of labor and personnel, Zhao Dongyuan, in a report at the conference. The urban unemployment rate was lowered to 1.8 percent in 1985, compared with 4.9 percent in 1980, after 35 million jobs were created betwen 1981-1985.

In addition to the 45 million employees to be placed in new jobs, Zhao noted that more and more workers are seeking their own job opportunities following the reforms in the economic structure and labor system. Moreover, factories need better qualified workers in the future.

According to the minister, the key to the employment problem lies in reforming the employment system and pooling the efforts of the state, collective and individual enterprises. He said the collective, individual, and service trade industries should be actively encouraged to offer more jobs.

At the same time China is trying to solve its employment problem, it also stresses the quality of its labor force. Among the 35 million new employees placed during the Sixth Five-Year plan, about 40 percent of them had some preliminary job training before they were employed.

Zhao urged the labor and personnel departments to do a better job during the Seventh Five-Year Plan and assist other departments in controlling the influx of the rural labor force into the cities.

FANG YI ADDRESSES SCIENTIFIC RESEARCH MEETING

OW161936 Beijing XINHUA Domestic Service in Chinese 1328 GMT 16 May 86

[By reporter Wu Ming]

[Excerpts] Beijing, 16 May (XINHUA) -- Four research workers from the front line of scientific research mounted the platform in the Great Hall of the People today to report to a meeting on action and spirit of seeking the truth of science. Fang Yi said the scientific spirit the researchers displayed in seeking truth and making innovations -- as well as their daring spirit of working hard without thinking of themselves, and their socialist cooperative spirit -- should be considered part of our valuable spiritual wealth.

At this report meeting on scientific and technological workers' advanced deed held in connection with the national science and technology awards meeting, Ma Zhesheng from the Beijing Geology Education Center under the Ministry of Geology and Mineral Resources spoke on the deeds of Prof Peng Zhizhong, her deceased teacher, and her co-worker. She recounted Peng Zhizhong's contributions, saying he led his laboratory to discover more than 30 new minerals and to determine the crystalline structures of approximately 50 different minerals, bringing China's research work on new minerals to the advanced international level, while he himself became a renowned crystallographic minerologist both at home and abroad and was elected a deputy to the Sixth NCP.

Song Hongzhao from the Gynecology and Obstetrics Department of the Beijing Xieho [0583 0735] Hospital affiliated with the Chinese Academy of Medical Sciences delivered a report at the meeting. The report discussed the hard work done on the treatment of choriocarcinoma, showing the sense of responsibility to society cherished by Chinese medical scientists and technicians. Choriocarcinoma is as highly malignant gynecological tumor and has a very high mortality rate. The Gynecology and Obstetrics Department of his hospital has carried out therapeutic experiments with several varieties of medicinal herbs and chemical pharmacodynamics, th appropriate dosages, and their side reactions. The work in this area has been successful.

Luo Laikang of the Anqiu Special Adhesive Technology Research Institute in Shandong has experienced many frustrations. When he was young, he had no opportunity to receive higher education for one reason or another. Leading a poor life, he has studied on his own such subjects as electroplating, chemistry, surface treatment, and electrochemistry and developed a "cyanide-free copper-plating process." Working independently, he has completed 41 science and technology projects, including the "W-1 heat-treated protective adhesive tape" that won him a third-class state invention prize.

A medical research report on protection against injuries from special weapons at wartime delivered by Yang Jinsheng of the Academy of Military Medical Sciences was fully indicative of the spirit of dedication displayed by Chinese scientists and technicians who are not afraid of hardships and dangers, and give no thought of personal fames and interests, but are willing to act as unknown heroes and have thus worked painstakingly for decades unknown to the public.

Addressing the meeting, Fang Yi said: A country's level of science and technology is a hallmark of its material civilization as well as a significant symbol of its people's spiritual civilization.

Real scientific knowledge, penetrating scientific judgment, and the advance of science and technology are a vital force in spurring a nation's progress. We must make all-out efforts to publicize the importance of knowledge and competent personnel. Today's report meeting is a good start in this regard. We must go all out to give publicity to investors and innovators and command their achievements in order to make it a new general practice in society to encourage, respect, and cherish inventions and creations.

ECONOMIC STATISTICS FOR APRIL RELEASED

OW180218 Beijing XINHUA Domestic Service in Chinese 1418 GMT 15 May 86

[Excerpts] Beijing, 15 May (XINHUA) -- Data released by the State Statistical Bureau today show that the general situation of our national economy in April was marked by a steady growth of industrial production, an improvement on the work of transporting major supplies, a stable market condition, and an increase in the amount of currency withdrawn from circulation. In foreign trade, however, there was an increased disparity between imports and exports.

For the period from January through April, the gross industrial output value of our country stood at 272.7 billion yuan, up by 4.2 percent compared with last year's corresponding period. The average daily industrial output value in April reached a record high for this year. Production of energy and raw and semifinished materials continued to climb. Electric power output from January to April was 7.2 percent more than the corresponding period of last year. Of raw and semifinished materials, production of rolled steel, plate glass, and cement all showed a rather big rise. Nonetheless, economic results for industry remained unimproved. Compared with last year's corresponding period, the volume of tax and profit handed over to the state during the January-April period by industrial enterprises listed in the budget declined by 1.6 percent, while the costs of their products calculated on a comparable basis rose 4 percent. As for enterprises suffering losses, the total amount of their deficits was up by 34.4 percent.

The volume of railway freight for the period from January through April was 400 million metric tons, an increase of 4.4 percent above the corresponding period last year. Improvement is noted in the transportation of major supplies. Compared with last year's corresponding period, the volume of transportation of coal increased 5.3 percent, iron and steel 17.6 percent, cement 12.4 percent, lumber 9 percent, and grain 5.8 percent.

During the period from January through April, units owned by the whole people in our country invested 15.5 billion yuan in capital construction, up by 9.2 percent compared with last year's corresponding period.

For the first 4 months of this year, the total amount of retail commodity sales stood at 156.4 billion yuan, a rise of 10.4 percent compared with last year's corresponding period. The amount for April was 38.7 billion yuan, showing a rise of 12.8 percent. As of the end of April, inventory of items for domestic sales held by state-owned enterprises and by supply and marketing cooperative totaled 150 billion yuan. This was 10.6 percent more than such inventory held at the same time last year.

From January through April, the amount of wages paid by units owned by the whole people to their staff and workers totaled 34.5 billion yuan, exceeding the amount for the corresponding period last year by 18.5 percent. A rather big increase is noted in the amount of currency withdrawn by the bank from circulation when compared with the corresponding period last year. As of the end of April, the balance in the savings accounts held by urban and rural residents was 182.3 billion yuan. This was 20.1 billion yuan more than the figure at the beginning of the year.

RUI XINGWEN ATTENDS SHANGHAI CULTURAL SYMPOSIUM

OW181355 Beijing XINHUA Domestic Service in Chinese 1550 GMT 14 May 86

[By RENMIN RIBAO reporter Xiao Guangen and XINHUA reporter Zhao Lanying]

[Text] Shanghai, 14 May (XINHUA) -- The symposium on the strategy for Shanghai's cultural development came to an end today after a 5-day session. According to Zhu Houze, head of the Propaganda Department of the CPC Central Committee, this symposium was a new step made in the course of spiritual construction. He pointed out that the strategy for cultural development was a complex form of system engineering and that there would be more similar discussions.

The large-scale symposium was the first of its kind ever held in Shanghai. Invited to attend the meeting were more than 300 people, including theoreticians, cultural workers, and cultural work leaders in Beijing and Shanghai.

To draw up a strategy for Shanghai's cultural development on a scientific basis and provide the symposium with an overall background of Shanghai's cultural development yesterday and today, over 400 experts in Shanghai, after conducting extensive social investigation, wrote over 100 papers and investigation reports and drafted a proposal on drawing up the strategy for Shanghai's cultural development (draft). According to the tentative plans in the draft, by the early 1990's Shanghai should have an ethical and positive social order, a dynamic cultural environment combining natural and humane studies, a network of diverse and rationally located cultural facilities, a system creating all types of quality spiritual products, a large contingent of well-trained cultural workers with influence at home and abroad, and an atmosphere conducive to cultural exchange.

Voicing his opinions on the strategy for Shanghai's cultural development from a theoretical level and on a progmatic basis, Xia Yan, vice chairman of the China Federation of Literary and Art Circles, said: In order to be practical and feasible, the strategy for Shanghai's cultural development must take into consideration the situation in Shanghai and in the country. According to Yang Xiguang of GUANGMING RIBAO and Bao Zunxin of the Chinese Academy of Social Sciences, Shanghai must attach importance to promoting cultural exchange with foreign countries and be ready to assimilate other cultures of the world. According to Pang Pu of the journal LISHI YANJIU [HISTORICAL STUDY], Shanghai should become China's cultural center playing the role of assimilating the scientific and cultural achievements of foreign countries and publicizing the nation's scientific and cultural achievements to the world. While unselfishly disseminating all its fine scientific and cultural achievements to China's interior, he said, Shanghai should also humbly accept all the fine scientific and cultural achievements of all nationalities from China's interior. The participants also put forward many proposals on how to implement the strategy for cultural development.

Among those attending the symposium were Rui Xingwen, secretary of the Shanghai municipal party committee; Jiang Zemin, mayor of Shanghai; and Gao Zhanxiang, vice minister of culture; as well as Qian Changzhao, Su Buqing, Jiang Chunfang, Shi Ximin, Hu Deping, Li Zehou, Liu Zaifu, Huang Zuolin, Zhang Junxiang, Wang Yuanhua, and other well-known personages and cultural theoreticians.

CHEN PIXIAN MAKES DEMANDS FOR WORK IN FUJIAN

OW210219 Fuzhou FUJIAN RIBAO in Chinese 10 May 86 p 1

[Excerpt] Comrade Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the Standing Committee of the National People's Congress, came to this province on 7 May to inspect various work.

During his stay in Fuzhou, Comrade Chen Pixian had cordial talks with leading comrades of the Fujian Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial People's Government, and the provincial CPPCC Committee. He heard reports made by leading comrades of the provincial CPC Committee; visited Red Army veterans in the province and veterans of PLA units stationed in Fuzhou; met with a number of new and old leading cadres of political and judical departments; and inspected the Mawei Economic and Technological Development Zone. He said: The situation in Fujian is very good. He also earnestly put forward some demands for work in the province.

In talking with leading comrades of the provincial People's Congress, Comrade Chen Pixian commented on ways to implement the "Compulsory Education Law." He said: The Compulsory Education Law is one of our country's important basic laws and has an important strategic bearing on raising the quality of the people of the entire nation. We must clearly understand the basic situation in the entire province and formulate practical measures to implement the law. We should properly solve the problem of shortages in educational funds and teachers and should also strengthen political and ideological work. The People's Congress should supervise the implementation of the "Compulsory Education Law."

In meeting with some Red Army veterans and old comrades, he said: Group after group of veteran comrades have retires from the first line of work and have been replaced by group after group of new comrades. This is a sign of our party's prosperity. Veteran comrades are getting old, but their thinking must remain young. Party members still on the job should dedicate their whole life to the cause of communism. Those who have retired from the first line to the second and third lines can do some investigation and research work and actively support new leading cadres. Veteran comrades should take good care of their health and have a good time in their later years. They must never give up their belief in communism despite their retirement.

In meeting with new and old leading cadres of various political and judical departments, he said: The political and judicial departments in Fujian have a heavy task. New and old comrades must support and help each other. The new leading groups should carry out their work in a courageous manner and do a better job in meeting the new situation. It is necessary to carry forward good traditions and be creative in performing various duties.

FUJIAN LEADERS ATTEND LATERAL ECONOMIC TIES CONFERENCE

OW192357 Fuzhou FUJIAN RIBAO in Chinese 7 May 86 p 1

[By FUJIAN RIBAO reporter]

[Excerpts] A conference on promoting lateral economic ties among five cities of different provinces was held in Fuzhou yesterday. The meeting was the first of its kind ever held in Fujian. On the eve of the meeting, Chen Guangyi, Hu Ping, Hu Hong, Cheng Xu, Jia Qinglin, and Yuan Qitong met the leaders of Jinzhou, Changzhou, Pingdingshan, Nanchang, and Fuzhou who were here to attend the conference.

The meeting was initiated by Fuzhou, and it was cosponsored by the five cities following consultations among them. During a preparatory meeting of the conference, Fuzhou reached agreements with some cities on certain cooperation projects. For example, Fuzhou and Changzhou will cooperate in producing corduroy and bicycles; Changzhou will help Fuzhou improve its technology in printing and dying textile goods and will provide the relevant plants and the needed raw and semifinished materials; and Fuzhou will import food grain and animal feed from Nanchang and Jinzhou. During the meeting yesterday, representatives from the five cities also exchanged experiences and information on restructuring their economic system.

CHEN GUANGYI DISCUSSES FUJIAN'S ECONOMIC REFORM

OW211315 Fuzhou FUJIAN RIBAO in Chinese 10 May 86 p 1

[By General Affairs Department of the Fujian Provincial CPC Committee General Office]

[Excerpts] Reporting at the Third (enlarged) Plenary Session of the Fourth Fujian Provincial CPC Committee yesterday, Comrade Chen Guangyi fully endorsed the current gratifying situation of reform, opening to the outside world, and enlivening the economy. He pointed out that continued efforts must be made to develop the good situation and gradually narrow the gap between developed and impoverished areas.

Chen Guangyi said: Following the 3d Plenary Session of the 11th CPC Central Committee, and especially since Fujian adopted "special policies and flexible measures," the provincial party committee has firmly implemented the party's line, principles, and policies during the new period, and given full scope to Fujian's mountain and marine resources as well as its being a province with many returned Overseas Chinese and special economic zones. The several decisions set forth by the provincial party committee have yielded remarkable results. Salient accomplishment have been achieved in restructuring the economic system, opening to the outside world, and enlivening the domestic economy. The excellent situation can primarily be observed in the following three areas:

First, political stability and unity have been consolidated and developed. Thanks to the successes achieved in emancipating people's minds, restoring order, implementing rehabilitation policies, settling unresolved historical issues, and promoting spiritual construction in recent years, the whole society has become more stabilized and united. Rectification of party organizations is now proceeding soundly and smoothly in the rural areas; provincial, prefectural, and county authorities, while consolidating the results in rectifying party organizations, have been working on enforcing party discipline and improving the conduct of official organizations. Preliminary results have been achieved.

Second, economic development has been greatly enhanced. During the Sixth 5-Year Plan period, the total value of Fujian's industrial and agricultural output increased at an annual rate of 12.6 percent, people's income grew at an annual rate of 11.4 percent, and people's living conditions improved noticeably. Fujian's economy continued to grow steadily and harmoniously in 1985, and its annual development plan was fulfilled ahead of schedule. Economic growth could be observed in all fields in rural areas. Industrial economic returns exceeded the growth of output value. International trade and economic and technical exchange continued to expand. Xiamen is turning into an export-oriented special economic zone. Initial results were achieved in building Fuzhou into an open city and in building the infrastructure of the Mawei economic and technical development zone. Planning and construction of the Xiamen-Zhangzhou-Quanzhou triangular development zone also started.

Third, a good start was made in the work of aiding the poor and combating poverty. Last year, many villages and over 70,000 rural families in Fujian were lifted out of poverty. Living conditions of tens of thousands of other impoverished families also improved.

While endorsing Fujian's gratifying situation, Chen Guangyi also pointed to Fujian's uneven economic growth, as shown in the following three aspects: First, there is a big difference between the coastal and the impoverished areas. With the coastal areas enjoying a higher economic growth than the provincial average, the gap between the impoverished and the coastal areas has become even wider. Secoind, there are significant differences between areas within the economically developed areas. There are impoverished counties, townships, and villages in areas opened to the outside world, and there are impoverished families in relatively well-off counties, townships, and villages. Third, the per capita income of approximately 10 percent of the population in Fujian is below 200 yuan. The percentage of people with this kind of income is even higher in some counties.

Chen Guangyi said: In addition to differences in historical and natural conditions, in economic foundation, and in how policies are implemented, the backwardness of impoverished areas can also be ascribed to certain other factors: First, the backward commodity economy is caused by an irrational production structure. In the impoverished areas, many cadres and people still do not understand the importance of commodity economy. Theirs is still a single-product economy, and what they have to sell are primarily raw materials and primary products. Second, some comrades still do not know that it is important to assist and guide the masses to become affluent. While making efforts to make the county affluent, they overlook the weak links and the poor families. Some people have the mistaken idea that with the introduction of the responsibility system, proper policies have been established, and that whether or not peasants can become affluent depends on their abilities. Third, ineffective assistance can be seen from the fact that certain policies and projects have not been thoroughly carried out, and that certain measures have been irrelevant and ineffective.

Chen Guangyi pointed out: Uneven economic growth has been a longstanding issue, which cannot be resolved in a short time. However, we must gradually narrow the gap with a positive and responsible approach. While examining the situation, we must make horizontal as well as vertical comparisons. While realizing that there are households having an income of 100 million yuan [as published] or 10,000 yuan, we must also realize that backwardness still exists and that there are still impoverished households; we must analyze the situation, see where we lag behind, and acknowledge our insufficiencies. Only by doing so can we confront the problems, remain sober-minded, and do our jobs better and more thoroughly.

Chen Guangyi continued: We must have clear-cut guidance in combating poverty and achieving affluence. The provincial party committee believes that the guiding thought for the work in this regard in the next several years should be: to continue to carry out reform in all fields, to uphold the basic principle of enlivening the domestic economy and opening to the outside world, to make every effort to expedite the growth of economically developed areas, to effectively strengthen our leadership, to regard combating poverty and achieving affluence as an important project, and to strive to help the impoverished areas change their outlook.

Chen Guangyi continued: Our efforts to combat poverty and achieve affluence are made in the course of upholding the basic principle of enlivening the domestic economy and opening to the outside world, and are an important part of the economic construction plan as a whole. While mapoping out our economic plans, we should make overall, not lopsided, arrangements. In the economic development of the coastal areas, the mountainous areas, and the issue of helping each other on the basis of reciprocity and mutual benefit. Our party's policy to encourage districts and people to become affluent ahead of others. Meanwhile, we must do a good job in helping and guiding the impoverished districts and impoverished families to become affluent together.

SHANGHAI RADIO ON ACTIVITIES OF RUI XINGWEN, OTHERS

OW181217 [Editorial report] Shanghai City Service in Mandarin at 0000 GMT on 17 May carries two reports on the activities of Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and other PRC leaders.

According to the first, 1 minute report, Rui Xingwen and Huang Ju, deputy secretry of the Shanghai Municipal CPC Committee, attended the concluding session of the Shanghai symposium on promoting friendship and cooperation with foreign countries on 16 May and spoke on how Shanghai should promote cooperation with foreign countries and use foreign capital. There are no details of their speeches. The same item also reports that, on 16 May, Rui Xingwen, and Liu Jingji, vice chairman of the CPPCC National Committee, cut the ribbon to inaugurate the Shanghai Club for Promoting Friendship With Foreign Countries.

In another 1-minute repoort, the same cast reports that Rui Xingwen on 16 May afternoon attended and addressed the 35th anniversary of the founding of the Shanghai People's Publishing House. No details of Rui's speech were reported. The same item also reports that on 15 and 16 May, Zhu Houze, head of the Propaganda Department of the CPC Central Committee; and Gao Zhanxiang, vice minister of culture, visited the publishing house on 15 and 16 May respectively to congratulate the staff of the publishing house on its anniversary.

Shanghai City Service in Mandarin at 0000 GMT on 18 May carries two reports on activities of Rui Xingwen and other Shanghai leaders.

The first report, 1 and 1/2 minutes long, reports that on 17 May Rui Xingwen, Zhang Dinghong, Zeng Qinghong, Xie Lijuan, Xia Zhengnong and other leaders of the Shanghai Municipal CPC Committee and the Shanghai Municipal Government attended the 12th Shanghai musical festival "Spring in Shanghai," which is held once every 2 years.

The same service, in a 1-minute report, says that on 17 May, Shanghai Municipal CPC Committee Secretary Rui Xingwen attended the commencement ceremony of Shanghai's third seminar on the planning and management of urban and rural construction. The report says that, since last October, 60 district and county magistrates and deputy magistrates have graduated from these 3 seminars.

SHANGHAI SEEKS COOPERATION WITH FOREIGN INVESTORS

HK160852 Beijing CHINA DAILY in English 16 May 86 p 2

[By staff reporter Zhen Fan]

[Text] Shanghai is seeking further cooperation with overseas investors in the fields of economy, trade, finance, science and technology and consultancy services, and favoured treatment will be provided to improve the investment environment, said Lu Guoxian, vicce director of the municipality's Foreign Economic Relations and Trade Commission.

Lu told the Shanghai Seminar on Overseas Friendship Co-operation, which began yesterday, that Shanghai has been authorized to adopt the privileged policies normally used in the special economic zones. The special policies cover the scope and time duration for endorsement of items; favoured taxes; use of land; supplies of materials and the marketing of products; labour; and foreign currency.

Lu revealed at the seminar that by the end of last year, the municipality had approved 354 projects with an investment of more than $1.3 billion.

The country's biggest trading port has trade relations with 160 countries and areas, Lu said. The number one partner is Hong Kong and Macao area, followed by the United States, Japan and Western Europe.

Lu told the seminar that during the Sixth Five-year Plan period (1981-1985), Shanghai total imports and exports reached nearly $21.8 billion.

Lu also said that the mainland has become Hong Kong's major trading partner, reaching 120 billion Hong Kong dollars ($15.3 billion) in 1985, 27.4 per cent of Hong Kong's total commodity trade. Mainland exports to Hong Kong reached 58 billion Hong Kong dollars ($7.4 billion). "For more than 30 years, Shanghai has been a close trading partner with Hong Kong," Lu said. Trade with Hong Kong now covers 20 per cent of Shanghai's total exports." By the end of the 1985 the city had 92 Shanghai-Hong Kong joint ventures, 57.5 per cent of Shanghai's total joint ventures, compared to only one in 1982.

The two-day seminar aims at furthering economic and technical exchanges between Shanghai and overseas, including Hong Kong and Macao. Sponsored by Shanghai Chinese Overseas Friendship Association, the seminar is attended by 70 top business executives of Shanghai origin from the United States, Philippines, Singapore, Australia and Hong Kong as well as chief of the city's major organizations and departments.

Addressing the opening ceremony of the seminar, Jiang Zemin, mayor of Shanghai, said: "The city sincerely welcomes criticisms and suggestions concerning economic co-operation with our overseas friends."

GUANGXI: LIUZHOU CASE OF WITHHOLDING TAXES CONCLUDED

HK200236 Nanning Guangxi Regional Service in Mandarin 1000 GMT 17 May 86

[Text] According to a GUANGXI RIBAO report: At the end of last month, the Central Discipline Inspection Commission gave an official written reply and put an end to the Liuzhou City case of withholding taxes and profits and excused leaders of the Liuzhou City from being disciplined. The Liuzhou City case of withholding taxes and profits was criticized and reported by RENMIN RIBAO last October. The Liuzhou City CPC Committee sincerely expressed that they would accept criticism and pay out all taxes and profits which had been withheld. Furthermore, they applied the party paper's criticism as an impetus so that the whole city scored the best economic results in history last year.

In March this year, the regional CPC Committee made a report to the Central Discipline Inspection Commission that Liuzhou City had violated financial and economic discipline by withholding taxes and profits. In its official written reply, the Central Discipline Commission held: Liuzhou City's mistake of withholding taxes and profits was serious. The principal responsible persons of the city CPC Committee and city government should bear main the responsibility while the region should also bear a certain responsibility for this. In view of the fact that Liuzhou City admitted its mistake and paid out all the taxes and profits withheld, the Central Discipline Inspection Commission therefore agreed on the view of the regional CPC Committee that no disciplinary action should be taken against the leading comrades of the Liuzhou City. The Central Discipline Inspection Commission hoped: In the future, it is necessary to draw a lesson from this and to really take measures to resolutely stop the reoccurrence of this kind of matter.

Regarding the Central Discipline Inspection Commission's official written reply, the regional CPC Committee promptly transmitted it to the Liuzhou City CPC Committee a few days ago and put forward several experiences and lessons which should be learned:

1. While persisting in invigoration, opening up, and reform, we must act in accordance with the state law, regulations, and policies and strengthen our concept of the legal system.

2. We must establish a concept of the overall situation and put the localities in a correct relationship to the state, put the part in a correct relationship to the whole, and put a small group in a correct relationship to the whole. All must be subordinated to the interests of the state, the overall situation, and the whole.

3. After a problem or mistake occurs in work, it is necessary to take the attitude of seeking truth from facts, to take a correct view of the problem or mistake, to clearly distinguish between right and wrong, to accurately report the situation, to bear responsibility, and to correct the mistake when it is known.

4. It is essential to use the method of reform to solve a problem occurring in the course of reform and not to have our determination to carry out reform shaken.

YANG XIZONG ADDRESSES HENAN SOCIAL SCIENCE CONGRESS

HK170207 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 16 May 86

[Excerpts] The third congress of the Henan Provincial Federation of Social Associations concluded in Zhengzhou on 16 May after completing all its predicted tasks during its 3-day session.

Hou Zhiying, member of the Standing Committee of the provincial CPC Committee and director of the Propaganda Department, presided at the closing ceremony. Present were provincial party and government leaders Yang Xizong, Liu Zhengwei, He Zhukang, Zhang Shude, Zhan Jingwu, and Hu Tiyun. (Ren Fangqiu), vice chairman of the federation, delivered the closing speech.

Provincial CPC Committee Secretary Yang Xizong delivered an important speech at the closing ceremony. He pointed out: In common with other fronts, the situation on the social science front in Henan is one of the best since the founding of the state. In the past few years, social science workers in the province have persevered in the orientation of serving the building of two socialist civilizations. They have carried out theoretical research and academic activities centered on reform and the four modernizations drive.

Yang Xizong said: Marxist theory is the ideological basis guiding us in formulating our line, principles, and policies. Since the 3d Plenary Session of the 11th CPC Central Committee, the discussion on the criterion of truth, the formulation of the policy of opening up to the world and invigorating the domestic economy, the policy decision on reform of the economic structure, and the tremendous achievements in rural reform, in every case, depended on guidance by Marxist theory. Practice has proven that we may make wrong policy decisions at crucial moments if our undertakings lack the guidance of Marxist theory, resulting in setbacks to our cause and serious losses to the party and people.

Yang Xizong emphasized that all correct theroy comes from practice, and is also the guide for action. Integration of theory and practice is a basic principle of Marxism. Theory divorced from practice is empty and meaningless theory.

The CPC Central Committee has pointed out that social science workers should focus on studying theoretical and practical questions regarding the socialist modernization drive. This is the sole correct way for the development of social science. The greatest current reality in China is the effort to build a socialist state with a high degree of democracy and civilization. Social science theoretical studies should be based on this reality and become firmly rooted in it. Only by applying the basic standpoint, viewpoint, and method of Marxism in close connection with the new situations and problems that are continually appearing and changing in the four modernizations drive, and raising to the proper theoretical plane for study the abundant practice of the millions of people in the four modernizations can social science workers explore the objective laws governing all aspects of the four modernizations drive, find the correct answers to all the problems, develop social science, and enable social science research to have strong vitality.

Comrade Yang Xizong said in conclusion: Tangibly strengthening leadership over social science work is the fundamental guarantee for the development of social science. The party committees at all levels must attach more importance to social science research and bring into full play the important role of social science in the modernization drive. This work must be put in an important place on the agenda. The principle responsible comrades must personally concern themselves with it and take the initiative to care for the development of social science. They must support the building of social science and solve practical problems encountered in academic research and activities.

HENAN COMMENTARY ON SOCIAL SCIENCE, LIBERALIZATION ISSUES

HK170233 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 16 May 86

[Station commentary: "Engage in Bold Exploration and Clear the Way to Forge Ahead"]

[Excerpts] The third congress of the Henan Provincial Federation of Social Science Associations has concluded.

Henan's social science still lags far behind the calls of practice and the demands of the era. Only by changing their closed-style research methods, gearing their work to modernization, to the world, and to the future, boldly exploring the road for building socialism with Chinese characteristics, probing the laws governing the building of the two civilizations, and answering major theoretical and practical problems in reform and the four modernizations can our social science workers provide a scientific basis for the leading organ's policymaking, play their think tank and consultative roles, and achieve relatively good academic results.

In order to encourage social science workers to be bold to explore, clear the way, and create new things, we must further implement the principle of allowing a hundred flowers to bloom and a hundred schools of thought to contend and create a relatively relaxed and harmonious atmosphere and environment. We must strictly distinguish between academic and political questions and between academic freedom and bourgeois liberalization. Academically, there is no need to be restricted by any books or conventions, and exploration of all kinds of questions is allowed. People are allowed to give differing opinions, to criticize, and to countercriticize, and to make mistakes.

Bourgeois liberalization is a serious political concept and such a label should not be applied to people in an aribrary way. Of course, academic freedom cannot be divorced from the four basic principles or from party discipline and state law. It is essential to pay attention to social benefit when openly publishing articles.

Social science workers must also discard their narrow-minded, specialized concept, and absorb the new fruits of research in natural science. They should use the new methods of natural science as reference, and strengthen lateral ties and cooperation with natural scientists in promoting comprehensive research. In this way they can serve still more effectively the effort to invigorate Henan and also develop and stimulate social science in the province.

HUNAN FACTORY LEADERS IGNORES ENVIRONMENTAL PROTECTION

HK210121 Changsha Hunan Provincial Service in Mandarin 1000 GMT 19 May 86

[Excerpts] At the end of April, the mining bureau of No 7 mine formed a special investigation team for dealing with a case in which (Li Yu'an), deputy director of a factory and engineer under the bureau, and others indiscriminately supported townships to set up a small iron smelting plant but disregarded environmental protection. The team will strictly deal with the parties concerned. In addition, through this case, the leadership of the bureau carried out, among party and government leaders of the bureau, as well as cadres at district and section levels and workers, activities for studying regulations on environmental protection. The leadership educated the cadres on studying and observing the regulations, and on protecting the environment.

In this case, (Li Yu'an) ignored the regulations of the state and the mine when developing lateral economic ties, and without authorization undertook the work of designing small smelting plant at (nanfang) Township in Lianyuan County. The plant employed the indigenous method of work. But they paid no attention to environmental protection.

Following the occurrence of the case, the Lianyuan CPC Committee attached great importance to it and sent personnel to the site to solve problems on the spot. The personnel of the county CPC Committee further decided to stop the smelting plant from operation, and to move the plant. In addition, the personnel decided to increase the investment in environmental protection. They ensured that the plant would not be put into operation unless its environmental protection work passed the examination of the environmental protection department.

HUNAN COMMENTARY VIEWS ENVIRONMENTAL PROTECTION WORK

HK210141 Changsha Hunan Provincial Service in Mandarin 1000 GMT 19 May 86

[Station commentary: "In Developing Lateral Economic Ties, It Is Necessary To Pay Attention to Environmental Protection"]

[Text] Since the beginning of this year, the work of promoting lateral economic ties has been in ascending. Many factories, mines and enterprises have overcome their shortcomings and have given full play to their advantages in terms of technology, equipment and funds. Therefore, they have become more vigorous when developing lateral economic ties. Many small enterprises, as well as township and neighborhood enterprises, have received support from large factories and mines through lateral economic ties. The local resources are thus made full use of. This has promoted the economic development of both urban and rural areas.

However, some large and medium-sized enterprises ignore the state regulations on environmental protection and hand over production projects that will bring harm, poison and serious pollution to the surrounding area, to small enterprises, as well as township and neighborhood enterprises, which are incapable of treating these harmful results. Thus, the environment is severely polluted.

Such acts of undermining the fundamental rights of the masses is intolerable. Protecting the environment is a great cause which will benefit our future generations. When developing production, we must simultaneously undertake the work of protecting the environment. In developing lateral economic ties, the large and medium-sized enterprises must not hand over or offer cooperation to town and township enterprises for those projects which are stipulated by the state as forbidden ones. Instead, they should try their best to provide to the small enterprises those polution-free projects, or projects that only bring about small-scale pollution. Enterprises that take part in cooperation and lateral economic ties should implement the environmental protection measures while conducting education on the regulations on environmental protection. They should hold those who violate the state regulations on environmental protection and who bring about serious harm in this area because of their acts accountable according to the law.

BEIJING MUNICIPAL CPPCC ELECTS NEW LEADERS, MEMBERS

HK211235 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1126 GMT 20 May 86

[Text] Beijing, 20 May (ZHONGGUO XINWEN SHE) -- At the Fourth Meeting of the Sixth Beijing Municipal CPPCC, which closed today, former Beijing Vice Mayor Bai Jiefu was elected by by-election chairman of the present Beijing Municipal CPPCC, and An Lin was elected vice chairman. Zhang Yichun, the son of Zhang Zhizhong, Zhou Pan, the daughter of Yang Hucheng, and Zhang Yixue, the daughter of Zhang Bojun, were elected by by-election members of the Beijing Municipal CPPCC Standing Committee. Other members of the municipal CPPCC Standing Committee elected by by-election are Lu Daopei, Fei Lulu, and Tao Huimin.

BEIJING WORKERS URGED TO ABANDON 'RUDE SERVICE'

OW170734 Beijing XINHUA in English 0616 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- Model workers and managers of some Beijing shops have called on all the service workers of the capital to redouble their efforts to abandon "rude service" which has been criticized in the press over the past week, the overseas edition of the PEOPLE'S DAILY reported today.

At a meeting held Friday by the municipal workers' federation, they issued a proposal calling for immediate and effective measures to be taken to improve the quality of service in different professions. The deterioration of service, een though it only occurs at a small number of work places, has spoiled the reputation of the Chinese capital and chagrined the people of the country, the paper said.

Leading cadres of Beijing's shops, post offices, hospitals, catering services and buses must enhance their employees' sense of resposibility, and spur their enthusiasm and dedication to service trades through education in politics, culture and professionalism, the meeting was told. At the same time, they must offer timely assistance in solving the difficulties of their employees in their daily lives, the paper said.

The managers also recommended an improved distribution system. Income and bonus must be tied to the quality of the worker's service, they said. Those who neglect their duties and refuse to improve their attitudes toward work must be penalized.

Congress Adopts Resolution

OW201949 Beijing XINHUA in English 1557 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- Two resolutions calling for improved services in the Chinese capital were adopted today at a municipal People's Congress session. The resolutions urged the municipal government to take concrete measures to enable the city to become a model in offering good services, XINHUA was told. Poor services and rude service workers have been a topic of discussion over the past few weeks here.

The resolutions called on officials to make down-to-the-earth investigations to find ways for improvement, and commercial officials in particular to tighten discipline while stepping up ideological work among the employees of the service trades.

Penalties should be meted out against those who continue to be rude, according to the resolutions.

Meanwhile, the resolutions called upon people of the city to respect service workers and help them by offering suggestions.

The fifth session of the eighth municipal People's Congress of Beijing began May 13, and ended today.

HEBEI'S XING CHONGZHI EXTENDS GREETINGS ON MAY DAY FETE

SK150751 Shijiazhuang HEBEI RIBAO in Chinese 1 May 86 p 1

[Text] Xing Chongzhi, secretary of the provincial CPC Committee, held an ebullient talk with the editor in chief of HEBEI GONGREN BAO [HEBEI WORKERS' PAPER] when he granted him an interview on the eve of May Day. During the talks, Xing Chongzhi placed ardent expectations on the staff members and workers of all trades and professions throughout the province.

Comrade Xing Chongzhi said: On behalf of the provincial CPC Committee and government I extend festive greetings to the people of the working class across the province on the occasion of marking the 100th anniversary of May Day. During the "Sixth 5-Year" Plan period, the people across the province, in particular, the more than 5 million staff members and workers across the province, have made outstanding contributions to the successful filfillment of the "Sixth 5-Year" Plan by conscientiously implementing the line, principles, and policies of the CPC Central Committee, taking the lead in conducting reform, standing in the forefront of reform, using their brains to make rational suggestions, and carrying out into high play their enthusiasm and creativeness. The educational and technological levels of the broad masses of staff members and workers have been improved notably.

Comrade Xing Chongzhi pointed out: Undertaking the historical mission of emancipating all mankind, the working class is always geared to the future but is never satisfied with its previous achievements. With far-reaching ideals, the working class has a spirit of proceeding from actual conditions and working arduously. The tasks ahead of the people throughout the province at present are to creatively carry out the principles and policies of the CPC Central Committee, to strive to realize the "Seventh 5-Year" Plan, to make the work done in the "Seventh 5-Year" plan period better than that in the "Sixth 5-Year" plan period, and to attach primary importance to making the work done this year better than that of last year. He said: Although our province has made great progress in the economy over the past few years, our economic strength is not solid enough and we still lag behind in the fields of science, technology, and culture. Thus, we must continue to carry forward the spirit of the foolish old man who removed the mountain, to persistently carry out reform, to work hard to fulfill or overfulfill the "Seventh 5-Year" Plan, and to strive to greatly improve our production level and to lay a solid foundation for economic development. This is of great significance for realizing the grand goal of quadrupling the annual output value.

Comrade Xing Chongzhi called on the people of the working class to continue standing in the forefront of the two civilizations drive and play an exemplary role in the two civilizations. We must launch the activities of "each making a suggestion on rejuvenating Hebei" among the people, staff members, and workers across the province in order to mobilize the broad masses of the staff members and workers and the personages of all circles to suggest ways and means for promoting the two civilizations.

He called on the trade union organizations at all levels throughout the province to strengthen ideological and political work; to carry out democratic management over the enterprises; to exercise the authority to inspect, supervise, and safeguard the enterprises; to enthusiastically participate in and discuss the administrative affairs of the enterprises; and to mobilize and encourage the vast number of staff members and workers of all trades and professions to widely launch various kinds of socialist labor emulation activities in order to give full play to their intelligence and wisdom and to make contributions to the realization of the "Seventh 5-year" Plan.

Comrade Xing Chongzhi urged the people of the working class throughout the province to continue strengthening study; upgrading awareness and understanding of culture, science, and technology; and bringing their roles into greater play in the four modernizations.

CADRES PUNISHED FOR DUMPING RADIOACTIVE WASTE IN HEBEI

HK230304 Beijing CHINA DAILY in English 23 May 86 p 3

[Text] Two party and government officials in Tangxian County of Hebei Province have been punished for the illegal dumping of 25 tons of solid radioactive waste, the CHINA ENVIRONMENTAL JOURNAL reported.

The Beijing Nonferrous Metal Research Institute, the unit which deposited the waste, has now transported it away for careful disposal after paying a 10,000 yuan fine and compensation of 70,000 yuan to farmers living around the dump site.

Ma Jianguo, deputy director of the country's Urban and Rural Construction and Enviornmental Protection Bureau, has lost his party membership and official post for his arbitrary decision last May to authorize a contract between the institute and the county's Santumen Village.

Under the contract, Zhao Caizi, the party secretary of the village who has now been dismissed, was required to provide a permanent storage site for the waste and take charge of its transport to the site. The institute paid the village a total of 20,000 yuan as funds for local economic development.

In late June last year, Ma Jianxing, the deputy director's brother, organized the transport of the waste by truck from the institute and dumped it into a dried-up well 300 metres southwest of the village. According to the journal, they took no measures to prevent radioactive waste from sinking downward or leaking outwards. They filled the well with only three bags of cement and some straw.

The newspaper said investigations showed the waste left the area around the site with radiation lebels several hundred times higher than normal. The paper said the radioactive pollution had threatened both surface and underground water supplies. The well was located along the Tongtian River only seven kilometres away from Xidayang Reservoir, and beneath it was said to be a fault in the rock stratum.

According to sources at the Beijing Nonferrous Metal Research Institute, the 25 tons of low-radioactive waste was actually the debris of a cement floor which had been contaminated in the early 1960's with tiny amounts of uranium and thorium.

The contamination took place in a laboratory building when researchers separated tantalum and niobium from a mineral that also contained traces of uranium and thorium. During laboratory tests, the mineral solution was spilt on part of the floor. The floor was covered with another cement layer 10 to 15 centimetres thick and the lab was later used for other purposes. But during the Tangshan Earthquake in 1976, cracks appeared in the laboratory building's walls. In 1984, the building was demolished and place had to be found to dump the debris of the contaminated floor.

The sources said testing showed the radioactive level of the debris waste was very, very low -- only a little above the state definition of materials which have to be treated as radioactive wastes. Compared with the state limit of 1x10 to the seventh power curie per kilo, the sources said, the radioactive content of the debris was between 1.69x10 to the eighth power and 5.66x10 to the seventh power curie per kilo. After taking away the radioactive debris, the institute added, they had carefully cleared the dumping well and the surrounding area and the radioactive level has now returned to normal.

ARRESTED MAN THREATENED TO BLOW UP TIANJIN RAILWAY STATION

HK230844 Hong Kong AFP in English 0822 GMT 23 May 86

[Text] Beijing, May 23 (AFP) -- Police shot and wounded a man who threatened to blow up a crowded station waiting room in an hour-long drama in Tianjin this week, a newspaper reported. Li Hua, a native of Xinjiang Province in his 20's, was undergoing a security check at a railway station in Tianjin, southeast of here, Monday when he pulled explosives from his luggage, the evening newspaper TIANJIN WANBAO said in an edition received here Friday. He threatened to blow up the waiting room at the station thronged with thousands of passengers, the newspaper said.

Police evacuated the station and fired six shots at Mr Li, hitting him in the shoulder and buttocks, the newspaper said. It took police an hour to talk the man -- who ducked behind some furniture -- into surrendering, it added. Mr Li repoortedly told investigators that he had lost 10,000 yuan (3,135 U.S. dollars) in a business deal with a store in Xinjiang, a poor province in northeastern China. He fled police in the province in mid-April after he stole two detonators and some explosives, the newspaper said.

RECTIFICATION LAUNCHED AMONG TIANJIN TOWN ENTERPRISES

SK140905 Tianjin City Service in Mandarin 1330 GMT 13 May 86

[Text] Party rectification has been launched throughout town and township enterprises in the municipality. As of now, among the more than 20,000 town and township enterprises in the municipality, 24 percent have basically completd their party rectification work, 60 percent are continuing their party rectification work, and 16 percent have begun their party rectification in succession since mid-May.

From 6 to 8 May, the CPC Committee of the municipal Agricultural Commission held a meeting in Xijiao District to exchange experiences on party rectification of town and township enterprises, and to make specific arrangements for solving the problems emerging in this regard. The meeting discussed policies for correcting unhealthy trends, adhering to reform, opening up to the outside world, and invigorating the economy. The meeting stressed: In conducting party rectification among town and township enterprises, we should strengthen leadership, give appropriate guidances to different cases, and ensure the development of reform and production.

HEILONGJIANG: SUN WEIBEN SPEAKS ON INDUSTRIAL PRODUCTION

SK060904 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 5 May 86

[Text] Sun Weiben, secretary of the provincial CPC Committee, has stated his views in Yichun on the current industrial production. He said: We should strive for a rapid economic growth on the premise of ensuring the efficiency and the quality of products. By no means should we blindly and simply pursue high growth rate. When we strive to change the passive situation of the current industrial production, we should remember this historical lesson.

Sun Weiben said: The abnormal states in the current industrial production should be conscientiously treated after analyzing their causes. In approaching these abnormal states, we should never be frightened out of our wits. At present, the most important thing is that leaders at all levels, comrades in charge of the economic work in particular, should actually improve their leadership style, and should organize some cadres to delve into those money-losing enterprises in order to actually help them solve their problems in production. Those comrades who have delved into money-losing enterprises should first restore and establish their responsibility system.

Leading cadres should subject themselves to the system of being responsible for target management, and the work in this regard should be considered as a criterion for judging their performance. Those comrades who have delved into enterprises should cooperate with enterprise leaders to organize workers, staff members, and party members to discuss the industrial production since the beginning of this year and to mobilize them to offer reasonable suggestions in order to speed up the growth rate on the premise of ensuring economic efficiency and the quality of products. We must surely keep in mind the historical lessons, and should never blindly and ineffectively pursue overly high growth rate, and change the passive situation in industrial production as quickly as possible.

JILIN STUDENTS HOLD SYMPOSIUM ON LABOR AS COMMODITY

OW190134 Beijing XINHUA in English 0123 GMT 19 May 86

[Text] Changchun, May 19 (XINHUA) -- Is the labor force one kind of commodity in a socialist society?

"The labor force has an attribute of a commodity, so the market for it should be expanded," argued some university students at the first economic symposium held at Jilin University early this month by students of finance and economics at various universities in northeastern China.

At this five-day-long meeting, 57 students from 12 univrsities throughout Jilin, Liaoning and Heilongjiang provinces discussed how to make a fuller use of natural resources and speed up the economic development of their region. More than 100 reports were submitted on agricultural economic reform, foreign trade, pricing systems and the service industry.

"The symposium is a very good beginning for the students," said leading economist Guan Mengjue. He hoped the students would throw themselves into the current nationwide economic reform drive.

JILIN TO ISSUE NEW SELF-PRODUCTION, MARKETING CERTIFICATES

SK191403 Changchun Jilin Provincial Service in Mandarin 0930 GMT 18 May 86

[Text] In accordance with a circular recently issued by the provincial tax bureau, beginning on 1 July, the province's farm and sideline products self-production and self-marketing certificates will be used throughout the province. The methods for using the self-production and self-marketing certificates stipulate: When selling self-produced vegetables, fruits, grain crops, meat, eggs, cattle, and sheep, as well as other farm and sideline products which are exempt from product taxes at the country fairs, markets, and commodity exchange places designated by the industrial and commercial administrative department, those peasants and vegetable growers residing in the rural and suburban areas of the province who have the province's farm and sideline products self-production and self-marketing certificates can be exempt from the temporary sales business tax.

Those who sell tobacco leaves, valuable foodstuffs, tremella, black fungus, aquatic products, woolen piece goods, and timber should pay the product tax according to stipulations. Those sellers of tobacco leaves and fresh-water fish whose daily sales volume is less than 30 yuan can be exempt from taxation; and those whose daily sales volume is more than 30 yuan should pay taxes according to their sales volume.

When peasants sell their farm and sideline products at markets, they must carry the self-production and self-marketing certificates with them so that they can be exempt from taxation after being checked and approved by the full-time market tax administrative personnel. Those who have no such certificates should all pay the temporary sales taxes. When the province's peasants sell their farm and sideline products in other provinces, they should follow the relevant stipulations of other provinces.

The circular stipulates: After the use of new certificates on 1 July, all the self-production and self-marketing certificates formerly issued by the village residents' committees will become invalid.

The editor's note by this broadcasting station states: The fact that the provincial tax bureau has decided to use the province's farm and sideline products self-production and self-marketing certificates throughout the province and has drawn up the administrative methods for such certificates has important significance in changing the excessive issuance of self-production and self-marketing certificates in the past, in strengthening administration over the market tax revenue, and in protecting the legal rights and interests of peasants.

With photos of peasants concerned on them, the newly issued self-production and self-marketing certificates cannot be transferred, lent, and sold to others, nor can they be altered and forged. Peasants may apply for such certificates of their own accord. The period of validity of such certificate is set at 5 years, and the applicable scale has been expanded from a fixed locality to all places in the province, Expanding the circulation scale of the farm and sideline products independently produced by peasants will certainly play a still greater role in invigorating the province's commodity economy.

It is hoped that governments at all levels will support the tax organs to conduct work and to achieve success in issuing and managing the self-production and self-marketing certificates. The large number of peasants and vegetable growers in the suburban areas should enthusiastically apply for the certificates, and conscientiously observe the market order so as to make contributions to developing the province's commodity production and enlivening the markets.

SHENYANG EXPERIMENTS WITH CONTRACT MANAGEMENT FACTORIES

OW171948 Beijing XINHUA in English 1339 GMT 17 May 86

["News feature: Shenyang Tries Out Contract Management" -- XINHUA headline]

[Text] Shenyang, May 17 (by XINHUA correspondent Meng Xianmin) -- Some state-owned factory managers here are paid many times more than ordinary workers, but they also risk losing their own money or going bankrupt if their factories fail to do well. Since June 1984, 47 state-owned factories here have been leased for three to six years to private citizens who have passed detailed examinations.

To lease a factory, managers must be approved by city authorities and sign contracts certified legal by local attorneys, said Zhao Xiyou, a Shenyang economic official. The 47 factories, each with fixed assets of up to five million yuan, all had financial or technical problems at the time they were leased, according to Zhao. And, he said, though some were losing money, all now are profitable.

The contracts guarantee that the managers will not plunder the plants' fixed assets to earn short-term profits. But otherwise they give the managers full power over the factories' personnel and operations -- including the power to hire and fire. The contracts also specify the managers' annual financial obligations to the state -- and the penalties they face if their obligations are not met.

For example, the manager of an automobile oil pump plant is required to pay 260,000 yuan to the state during his three-year lease but in return may take part of the profit as his personal income. But the manager and his guarantors, who have offered their personal properties as security in case the manager fails, must compensate the state for its losses if the factory fails to meet its contract quota.

Under the contracts, the manager can earn as much as 70,000 yuan a year, scores of times more than ordinary workers -- or managers under the old system. But Zhou said the successful managers do not spend their earnings on themselves or their families. "Almost all of them use the bulk of their income to invest in their factories or to improve the fringe benefits of their workers," he said.

Ling Fangyou, manager of the oil pump plant, declined to tell XINHUA just what his personal earnings were. "The money is not important," he said. "What matters to me is to have the chance to run a factory independently, without too much administrative interferrence."

"I am sure my factory can turn over one million yuan to the state when the three-year contract expires at the end of this year, far more than the 260,000 yuan required by my contract," he said. At least 100 state-owned industrial enterprises and thousands of service businesses owned by the state throughout China are being run by individual contractors, according to earlier news reports.,

"Leasing state-owned factories to private citizens has dispelled the once-prevailing misconception that state ownership and management must be inseparable," said Zang Zhifeng, an economist at the Central Party Academy in Beijing, a training school for senior Communist Party officials. "Only by drawing a clear line between public ownership and management can these enterprises become independent economic entities, free from unwarranted official intervention," he said.

Shenyang is the first Chinese city to experiment with leasing state-owned factories. Last month, the city issued the country's first local legislation on private leasing of public enterprises.

CAAC RETURNS CAL 747 IN HONG KONG 23 MAY

OW230644 Beijing XINHUA in English 0630 GMT 23 May 86

[Text] Hong Kong, May 23 (XINHUA) -- A Boeing 747 cargo jet, two crew members and the plane's cargo were returned here today by representatives of the Civil Aviation Administration of China (CAAC) to representatives of Taiwan's China Airlines (CAL).

Piloted by the CAAC crew, the plane left Guangzhou at 10:20 a.m. and landed at Kai Tak Airport here at 10:48. After the plane landed, CAAC and CAL representatives boarded the plane and, in a friendly atmosphere, signed documents acknowledging the return. The CAAC representatives wished the two crew members -- Dong Guangxing and Qiu Mingzhi -- a speedy reunion with their families on Taiwan. Before leaving Guangzhou both were certified in good health following a physical examination.

The Boeing 747 cargo plane landed in Guangzhou May 3. It was piloted by Captain Wang Xijue, who expressed a wish to remain on the mainland. Discussions between the two sides began May 17. An agreement was concluded on May 20 after four rounds of talks. Today, the CAAC representatives told the CAL staff members they were pleased by the smooth implementation of the agreement.

Some 120 Chinese and foreign reporters were present to cover the event.

Text of CAAC-CAL Statement

OW230700 Beijing XINHUA in English 0648 GMT 23 May 86

[Text] Hong Kong, May 23 (XINHUA) -- Here is the full text of the joint statement of receipt signed today by representatives of the Civil Aviation Administration of China (CAAC) and Taiwan's China Airlines (CAL) marking the return of a CAL Boeing 747 jet that was flown to the mainland May 3.

The representatives of the Civil Aviation Administration of China and China Airlines today, May 23, 1986, completed the procedures involved in the return of China Airlines' B198 Boeing 747 cargo plane and its cargo at the Kai Tak Airport in Hong Kong. Two members of the plane's crew, co-pilot Dong Guangxing and flight engineer Qiu Mingzhi, have also arrived in Hong Kong on the plane and have been met by representatives of China Airlines.

CAL Crewmen at Press Conference

OW231059 Taipei CNA in English 1032 GMT 23 May 86

[Text] Taipei, May 23 (CNA) -- The copilot Tung Kung-hsing and flight engineer Chiu Ming-chih of the China Airlines [CAL] Boeing 747 cargo jet, who were diverted to the Chinese mainland by pilot Wang Hsi-chueh May 3 on way from Bangkok to Taipei, returned to Taipei Friday afternoon on board CAL flight CI-828 from Hong Kong. Tung and Chiu arrived in Hong Kong Friday morning from the southern Chinese city of Canton along with the CAL cargo jet which landed at the Kai Tak Airport at 10:47 after a 27-minute flight.

Upon their return to the Chiang Kai-shek International Airport at 3:40 p.m., Tung and Chiu said they are very happy to stand again on the land of this free country. They also expressed their gratitude to those people who rendered their assistance for their return.

At a press conference at the airport, Tung said it was simply a personal notion of pilot Wang to divert the plane to the mainland.

Tung said he was first beat down by Wang when Chiu went to the toilet after they had finished their lunch May 3. Later, Wang had a fight with Chiu in the cabin making the plane almost lose its control. As Wang tried to control the plane he diverted it to the direction of Canton, Tung said. Through four talks between the representatives of the CAL and Peiping's "Civil Aviation Administration of China" in Hong Kong May 17-20, the communist representatives agreed to send back the CAL plane, its cargo and two of the three crewmen to Hong Kong.

NORTHERN, EASTERN TAIWAN HIT BY 25 EARTHQUAKES

HK230244 Hong Kong AFP in English 0236 GMT 23 May 86

[Text] Taipei, May 23 (AFP) -- Twenty-five earthquakes, including two strong ones measuring 5.5 and 5.6 on the Richter scale, jolted northern and eastern Taiwan in a span of nine hours early Friday, the Central Weather Bureau said. The bureau said only the two strong tremors were felt in Taipei, shaking high-rise buildings and waking up people. The minor ones had affected Hualien on the eastern coast from midnight to 9:00 A.M. (1600-0100 GMT), it added. There were no immediate casualty or damage reports, the bureau said.

The quake measuring 5.5 struck at 1:47 A.M. (1747 GMT) with an epicenter under the sea some 20 kilometers (12 miles) east of Hualien, the bureau said. The second major one originated from a point on land 13 kilometers (7.8 miles) northwest of the aboriginal city at 5:00 A.M. (2100 GMT).

On the open-ended Richter scale, an earthquake with a magnitude of 5.5 can cause considerable damage. The bureau said Friday's tremors were triggered by the two major ones, measuring 5.8 and 5.7, that shook Taipei and Hualien Tuesday. One motorcyclist died and five other people were injured in east Taiwan in accidents related to the earthquakes.

Hualien had been hit by a series of minor earthquakes since Tuesday -- eight followed the strong ones on the same day, 10 on Wednesday and 43 on Thursday, the bureau said.

OTHER PARTIES SUPPORT KMT POLICY ON NONPARTISANS

OW230343 Taipei CNA in English 0314 GMT 23 May 86

[Text] Taipei, May 22 (CNA) -- Leaders of the Young China Party [YCP] and the China Democratic Socialist Party [CDSP] have expressed their support of the ruling Kuomintang's efforts to strengthen communication with nonpartisans. Ma Shu-Li, secretary general of the KHT's Central Committee, invited YCP Chairman Li Huang and Deputy Executive Director Chao Chun-hsiao and CDSP Chairmen Yan Yu-tzu, Li Tuan, Wang Shih-hsien and Lo Yung-vang to the two meetings Wednesday and Thursday to brief them on KMT's policy towards nonpartisians and exchanged views with them on the issue. Leaders of the two parties said that they have come to a full understanding of the KMT stand on this matter and expressed the hope that nonpartisans will be more sincere in communication with the ruling party so as to maintain stability and harmony in this society. They also encourage nonpartisans to register with the government agencies in accordance with the law as they try to establish the public policy research association and its branch offices. They called on the nonpartisans not to use the word "Tangwai" in labeling themselves.

PROSPECTS FOR CPC 'THIRD ECHELON' MEMBERS EXAMINED

HK210847 Hong Kong CHING PAO in Chinese No 106, 10 May 86 pp 13-15

[Article by Chang Jung: "Qiao Shi's Entrance Into the Cabinet and the CPC's Political Reforms" -- first paragraph printed in boldface]

[Text] Qiao Shi, Li Peng and Tian Jiyun comprise the majority of the five State Council vice premiers. This demonstrates the evident strength of the "third echelon," who have wielded state power and become major policymakers. But the other two vice premiers, Wan Li and Yao Yilin, who are getting on in years, will be completing their two terms of office soon. They have to remain at "front line" posts for the time being in order to guide the other three and pass on experience to them, but they will withdraw to the "second line" when the succession of old cadres by new ones is effected.

At the 19-day long Fourth Session of the Sixth NPC, the most spectacular personnel changes were the promotion of Qiao Shi, a new star in CPC political circles, to the post of vice premier, and the promotion of Song Jian, an expert in cybernetics and space engineering technology, to state councilor. So far the third echelon has established a foundation for succession in the CPC's various policymaking organs.

The Trend of Personnel Composition

It goes without saying that Hu Qili, a member of the CPC's political committee and standing secretary of its secretariat, who is also head of the "third echelon," has remained very active. Sometimes he accompanies Hu Yaobang on inspection tours, sometimes he goes on inspections with Zhao Ziyang, sometimes he personally heads a delegation to visit other countries, sometimes he watches war exercises, and sometimes, on behalf of the CPC Central Committee, he delivers policy speeches over a wide range on such topics as politics, the economy, spheres of learning, science and technology, education, and military affairs to democratic parties and mass organizations. According to press circle analysis, his influence in CPC policymaking is becoming increasingly important. The other two next to him in the "third echelon," who are engaged in CPC Central Committee work, are Qiao Shi and Wang Zhaoguo. Although the transfer of Qiao Shi from party work to government work has been brewing for a long time, this indicates that his status and role are more important than before and the Deng-Hu-Zhao structure thinks highly of him. At the same time, this also reflects the trend of CPC personnel changes.

The CPC will convene its "13th National Congress" in September next year and the CPC and the national CPPCC are due to change their tenure of office in 1988. When the time comes, Hu Yaobang, general secretary of the CPC Central Committee, and Zhao Ziyang, premier of the State Council, will be approaching seventy, while President Li Xiannian, Peng Zhen, chairman of the NPC Standing Committee, and Deng Yingchao, chairman of the National CPPCC, will all be older than them. The CPC has been making sustained efforts to lower the average age of its leading body. Leading cadres at the provincial level such as Wang Enmao and Xiang Nan, who actually "extended active duty," have also withdrawn from the "front line." In this connection, further efforts should be made "to effect the succession of old cadres by new ones" at the central party and government level. The promotion of Qiao Shi to the post of vice premier of the State Council looks as if it is the overture that the "third echelon" is going to officially take its turn on duty. He, Li Peng and Tian Jiyun have comprised the majority of the five vice premiers of the State Council. This demonstrates the evident strength of the "third echelon," who have wielded state power and become major policymakers.

The other two premiers, Wan Li and Yao Yilin, who are almost the same age as Zhao Ziyang, will be completing their two terms of office soon. They have to remain at "front line" posts for the time being in order to guide the other three and pass on experience to them, but they will withdraw to the "second line" when the succession of old cadres by new ones is effected.

Promotion Entirely on His Abilities

Qiao Shi was born at Dinghad, Zhejiang Province. He is now 62 years old but he is a CPC member of 46 years' standing. When he was young, he studied in Shanghai and plunged into the National Salvation Movement during the War of Resistance against Japan. After the war victory, he organized and led Shanghai students in launching "We want peace, not civil war" demonstrations and petitions. After the CPC seized state political power, he continued to engage in youth work. He successively held the post of secretary of the youth committee of Hangzhou City and the post of deputy head of the united front work department of the youth committee of the CPC East China bureau. Then he was transferred to take charge of industrial work. He held posts at the Anshan Iron and Steel Company and the Jiuquan Iron and Steel Company in Gansu Province.

In 1964 Qiao Shi was transferred to the International Liaison Department under the CPC Central Committee. He worked as a bureau chief and began to show ability and talent in his associations with foreign countries. In 1981 he was promoted to the post of deputy head of the department and was also elected member of the Central Committee at the 12th National Congress of the CPC as well as candidate member of the CPC Central Committee secretariat. After Hu Qili became standing secretary of the CPC Central Committee secretariat and was relieved as head of the general office of the CPC Central Committee in 1983, Qiao Shi took over the job. The next year he also worked concurrently as head of the organization department under the CPC Central Committee.

During his tenure of office, he displayed his abilities by reforming the personnel system, making the ranks of cadres of leading bodies at various levels "more revolutionary, younger in average age, better educated and more professionally competent," and carefully selecting candidate members for the "third echelon." After the National Conference of Party Delegates held last September, he was once again promoted and was elected a member of the CPC Central Committee Political Bureau, secretary of the secretariat and secretary of the Central Commission of Politics and Law. In early spring this year, Deng Xiaoping presided in person over an enlarged meeting of the CPC Central Committee Standing Committee, which came to a policy decision on improving party conduct and "hitting tigers" in the year of the tiger. Qiao Shi was appointed head of the leading group for guiding rectification of party work style in central party and government organizations, a chief commander of "hitting tigers."

Another who entered the cabinet together with Qiao Shi was Song Jian, a renowned scientist. He, at only 54, is the youngest among the 11 State Councillors. Others, like Zhang Aiping and Ji Pengfei are 76 years old. In the early 1950's, Song Jian studied in the Soviet Union and had professor Feiliedebaomu [6316 0441 1795 7637 1191], a well-known cybernetics expert, his teacher. After returning from the Soviet Union, he held important scientific research posts in the Ministry of National Defense and the Ministry of Astronautics Industry successively. He was then promoted to the post of vice minister of Astronautics Industry. In September 1982, he was elected a candidate member of the CPC Central Committee at its "12th National Congress" and became a full member at the National Conference of Party Delegates held last September. He was in charge of overall design for China's first-generation ground-to-air missiles. Thanks to his erudition, he solved many major technological problems in designing and testing China's communications satellites and submarine-launched missiles. Meanwhile, he also wrote many books on, and made major attainments in, optimalizing control, the partial differential equation control system and population cybernetics.

In China he is now the most authoritative cyberneticist after Qian Xuesen. To this day he still works as president of the Chinese Society of Automation. He has been invited to give lectures abroad many times.

In 1984 Song Jian was appointed to take over Fang Yi's work as minister of the State Scientific and Technological Commission. He was one of the key members of the CPC authorities making the "decision" on reforming the scientific and technological structure. He also worked out the "spark plan" to popularize scientific and technological knowledge in the rural areas. Now Song Jian has become a State Councillor. No doubt, he is a chief commander of the "third echelon" in taking charge of work in science and technology. He himself said: "His prime may last another 10 years," as a middle-aged man, "he must work as a connecting link between the higher and lower levels." In his notebook, he has jotted down an ancient poem, reading as follows:

New bamboo branches are higher than old ones, but all branches should be supported by their trunks;

New branches grow year in year out, and numerous bamboo shoots spring up around old trees.

Song Jian said: "Now I am a new branch, but I must be supported by old branches. At the same time, I should take the responsibility of supporting new rising forces." He said that China needs at least 20 million professional personnel by the end of the century, and all measures that our country has adopted to strengthen education are actually farsighted.

One Who Is in Power Should Not Talk Too Much

Among the important personages of the "third echelon," and if Li Peng and Tian Jiyun are regarded as men of action, then Qiao Shi and Wu Xueqian are the ones who wield power without showing their feelings. In past years, foreign minister Chen Yi often spoke with fervor and assurance on public occasions and his remarks often surprised his audience, but the present foreign minister, Wu Xueqian is known as a reticent person. "One who is in power should not talk too much." This is Qiao Shi's maxim. He takes this maxim probably because he engaged in scientific research in industrial enterprises for a long time during the 1950's and 1960's.

At present, Peng Zhen, Chen Pixian and other strong men in political circles are all getting on in years and they are not as energetic as before. The CPC's top policymakers have really taken great pains to select Qiao Shi to succeed them. When Qiao Shi joined the CPC in 1940, he was only 16 years old. He was then "nurtured" in the flames of the War of Resistance against Japan and China's War of Liberation. He is also a university graduate. It can therefore be said that he is a cadre who "has been long tested" and is well-educated. Furthermore, he is steadfast, capable and experienced. He does not like to talk too much but he can look ahead with wisdom. This is why Deng, Hu and Zhao think highly of him. The CPC decided to "hit tigers" in the year of the tiger and get rid of internal malignant tumors with a view to thoroughly improving party conduct. As a matter of fact, Qiao Shi is the most suitable person to select for the job because he can meet what Deng Xiaoping called for: "More deeds, less empty words."

Over the past 3 months, the CPC authorities have investigated and handled a number of major criminal cases and made public some typical ones. It has been learned that more major cases will be made known to the public later. Qiao Shi pointed out that these criminal cases must be handled seriously, "regardless of the ranks of the cadres involved.

We should neither dodge contradictions and 'make a detour,' nor should we use bureaucratic work style and unhealthy tendencies as excuses to absolve people from their crimes and serious violations of discipline. According to the actual situation, we are right to investigate and deal with major criminal cases and lay stress on economic crimes. On the other hand, we must not neglect other serious cases of violating party and administrative discipline, such as appointing people by favoritism, replacing rule by law with rule by men, and incurring heavy political and economic losses to the state due to serious dereliction of duty or abuse of authority."

It has been said that rectification of the party's work style has made progress. Aside from the high resolve made by Deng Xiaoping and other top leaders, it is mainly due to the decisive manner adopted by Hu Qili, Qiao Shi, Wang Zhaoguo and other political stars in the "third echelon," who are impartial and incorruptible, stick to principles and dare to handle "tough" problems. Qiao Shi said: "We must realize that improving party conduct is a pressing necessity. Both when investigating and dealing with major criminal cases and when checking unhealthy tendencies, we must firmly grasp and should not work sluggishly. We should manage to achieve practical results and should not adopt a perfunctory attitude toward higher authorities and the masses of the people. Therefore, we should not emulate each other for quotas and rates of progress and make a show of strength. We are in power, we should not talk too much. In rectifying the party's work style, we particularly should not utter empty words but actually do more."

It can thus be seen that as a vice premier, Qiao Shi will continue to display his distinct personality and leadership ability through a rigorous approach and good work efficiency.

A Relaxed Political Situation

At the NPC and CPPCC meetings held in Beijing recently, Hu Qili called party member deputies together. On this occasion, he pointed out: "Instead of the rural areas, our reform has now focused on the cities; and besides the economic restructuring, we have begun to undertake reform in the scientific, technological, educational, military and political fields. We must develop socialist democracy in our political and social life and establish equal man-to-man relations and correct relations between men and society. Leaders should resolutely get rid of bureaucracy, respect the will of the people, listen to criticism, and develop democracy." Thus we will be able to build a relaxed and stable social environment and guarantee the progress of our reform.

Reportedly, at a recent meeting with foreign guests, Deng Xiaoping said: Without democracy there would be no socialism. Ours is a big country. Our party is big and has a large number of cadres who are endowed with massive power. If they abuse their power and do whatever they like without strict supervision by the people, the consequences will be dreadful to contemplate. Speaking of how to institutionalize democracy within our party and our society and how to codify it into law, Hu Qili pointed out: "This is an important problem that must be solved in the course of reforming the leadership system of our party and state. We must make further efforts to study and explore the problem." The newly appointed vice premier Giao Shi will undoubtedly be assigned to take charge of the "structure reform." He will go through rigorous trails of "how to eliminate corruption," resist the corrosion of feudal and capitalist decadent ideology, and create a favorable political and social climate for reform."

Not long ago, outside circles paid much attention to the succession of Li Peng or Tian Jiqun to Premier Zhao Ziyang's post. Now the sudden promotion of Qiao Shi has made the conjecture more complicated and confusing.

On 9 April, before the closing of the NPC and CPPCC sessions, Qiao Shi led a CPC delegation to attend the 17th Congress of the Italian Communist Party. Besides Hu Qili, Qiao Shi is probably the only other from the CPC's "third echelon" who is qualified to attend such activities. Of course, people will not underestimate him, but they ardently hope that he will make more valuable contributions to the development of society and democracy in his new post.

HONG KONG ANALYST COMMENTS ON TRADE WITH PRC

HK230812 Hong Kong SOUTH CHINA MORNING POST in English 23 May p 1

[By Paul Sham]

[Text] The 203 China-backed companies in Hong Kong have failed to play their expected role of acting as a bridge of economic development between the territory and China, according to Mr Thomas Chan, a research officer at Hong Kong University's Centre of Asian Studies. Writing in the introduction to the "Directory of Companies with PRC Capital (in Hong Kong)," Mr Chan said the emergence of China-linked companies as a prominent segment of Hong Kong's economic scene is yet to be built on a steady and mutually beneficial basis. The 311-page publication was published by CERD Consultants and edited by Mr Chan.

Mr Chan said as a result of their poor co-ordination and lack of comprehensive plans, the development of these companies has been chaotic and led to erroneous investments. For example, he said the fierce competition among China Merchants Steam Navigation Co Ltd, Far East Enterprising Co (HK) Ltd, Guangdong Enterprises and Fujian Enterprises on the lucrative Sino-Hong Kong shipping route saw them cut into each others' earnings. These firms' economic strategies were guided neither by the interests of Hong Kong nor China, Mr Chan said. He attributed the problems to the over-dependence of these companies on the operational principles of captitalism, on profit return, and on the imitation of local enterprises' investment and operating strategies. Mr Chan said from this year onward, companies...with fewer financial backing will either be eliminated or forced to merge with bigger China-linked enterprises. He said this would result from the expected clamp-down on these operations by the central government this year, following measures adopted in China last year to reform the country's foreign trade system.

In the second half of last year, the State Council overhauled all agents, companies, and enterprises set up in Shenzhen by provincial and local authorities. One reason for the crack-down was the widespread practice of parallel trade between China and Hong Kong, which had disrupted the traditional channels and agency system in the trade. Mr Chan said a reduction in the number of these smaller firms, which were largely set up by counties or cities, will further reinforce the economic strength of the more established China-backed companies. But further development of these bigger enterprises is fraught with difficulties, he said. These include their insufficient expertise and resources to make significant break-throughs in their own operations, with the local market having its own restrictions and competition from local and foreign companies. He said forming joint ventures with local businessmen and going overseas will be the trend for these firms. The most outstanding example, as quoted by Mr Chan, is the Hong Kong Macau International Investments Co Ltd, which has the participation of the Bank of China group, the China resources group, and many prominent local Chinese businessmen. He said China-backed enterprises will be able to rely on the manpower, resources and connections of the local Chinese businessmen in their ventures into new investment areas through co-operation. Although Mr. Chan said the overseas ventures of these firms will be relatively few, he cited Guangdong Enterprises as the best example. He said the company announced earlier this year it will set up branches and subsidiaries in Europe to spearhead its overseas business.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 101 27 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC UN Delegate Condemns South African Raids A 1
Chinese-African Students Clash in Tianjin [KYODO] A 1

UNITED STATES

Yao Yilin Ends U.S. Visit, Leaves for Canada B 1
Li Peng Meets U.S. Senators Delegation 26 May B 1
PRC, American Motors To Continue Jeep Production B 1

SOVIET UNION

PRC Experts To Visit Soviet Nuclear Power Stations [KYODO] C 1
Cultural Agreement With USSR Signed in Moscow C 1
Gorbachev Addresses USSR Foreign Policy Conference C 1

NORTHEAST ASIA

Deng Yingchao Meets DPRK Front Delegation D 1
Li Peng Meets Visitors From Japan's Power Industry D 1

SOUTHEAST ASIA & PACIFIC

Australian Prime Minister Continues Visit E 1
Visits Nanjing With Hu Yaobang E 1
Meets Hu Qili E 2
Speaks in Nanjing E 2
Visits Xiamen E 3
Departs for Philippines E 4
Singapore Deputy Premier Begins Visit to PRC E 4
Arrives in Shanghai E 4
Meets Shanghai Officials E 5
Continues on to Jinan E 5
Vanuatu May Give Soviet Fishing Fleet Port Access E 5
SRV 'Partial Withdrawal' Just Troop Rotation E 6
LIAOWANG on CGDK's 2-Pronged Offensive E 7
[LIAOWANG OVERSEAS EDITION 19 May]
LIAOWANG Assesses U.S. Policy Since Fall of Marcos E 8
[LIAOWANG OVERSEAS EDITION 12 May]
Zhang Jingfu Receives Malaysian Trade Mission E 11

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G
Meets EC Officials in Belgium G 1
Received by King; Hosts Banquet G 1
Views DK, Arms Control G 1
Meets UK's Howe in Brussels G 2
Views Relations With Europe G 2
Tours Antwerp, Waterloo G 3
Arrives in Luxembourg G 3
Visits Hydroelectric Plant G 3
Meets Luxembourg Leaders G 4
Arrives in Ireland G 4
Qian Yongchang Attends FRG Embassy Reception G 5
17th Italian Communist Party Congress Viewed G 5

PRC NATIONAL AFFAIRS

Former Party Leader Hua Guofeng Appears in Public [AFP] K 1
Hu Yaobang Addresses Sichuan Leaders 22 May K 1
Deng Xiaoping Donates Book Royalties to Children K 2
Tian Jiyun Urges Ningxia Locals To Become Well-Off K 2
Soviet-Built Plane Used for Xizang PLA Transport K 5
Beijing Genetic Research on Cancer Advances K 5
Arrest of Counterrevolutionary Students Reported [KYODO] K 5
Nanjing University Discusses Ma Ding Article K 6
Wan Li Encourages Forerunners of Reform Work K 7
[GUANGMING RIBAO 14 May]
Lu Dingyi on Formulation of 'Double-Hundred Policy' K 8
[GUANGMING RIBAO 7 May]
RENMIN RIBAO Urges Exploration in Literature, Art [19 May] K 11
WENZHAI BAO on Literature About Intellectuals [15 May] K 13
Official Stresses Building of Nuclear Industry K 14
BAN YUE TAN Interviews Foreign Trade Minister K 16
RENMIN RIBAO on Theory of Socialist Construction [5 May] K 17
Li Peng Attends Foreign-Study Students Meeting K 25
Hao Jianxiu at Guangdong Toy Fair Opening K 26
Economist Ma Hong Inspects Sichuan's Dukuo City K 26
Tian Jiyun on Industry, Commerce Administration K 27
Qiao Shi Meets Armed Police Reporting Group K 27
Vice Premier Qiao Shi Speaks on Law Research K 28
Research Areas To Expand K 29
Seminar on World Peace Opens in Shanghai 20 May K 29
PLA Academy Outlines Research Objectives K 29
Wang Bingqian on Curbing Groups' Purchasing Power K 30
Strict Controls Urged K 31

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangdong's Lin Ruo Attends Economic Reform Meeting P 1
Guangzhou Executed Criminals Include Hong Kong Compatriot P 2
Henan Holds Meeting on Transferring Armed Forces P 2

SOUTHWEST REGION

Over 100 Killed in Sichuan Basin Storms, Hail Q 1
[CHINA DAILY 23 May]
Tibet Meeting Commemorates 'Peaceful' Liberation Q 1
Background on 1949 Liberation Q 2
Chengdu PLA Commander Commends Yunnan Border Unit Q 3

TAIWAN

Aftermath of CAAC-CAL Incident, Pilot's Defection V 1
CAL Statement on 'Diverted' Plane V 1
CAL Firm at Talks With CAAC [CHINA POST 24 May] V 1
Crewmen Describe Hijacking V 1
United Front Tactics Unpersuasive [CHINA POST 24 May] V 2
Yu Kuo-hwa Orders Investigation V 3
Pilot's Case Enters Legal Procedures V 3
CAL, Aeronautics Officials Resign V 3
CHINA POST Editorial [23 May] V 3
Tai-chi Gorge Landslide Kills 33; Many Missing V 5

HONG KONG MEDIA ON CHINA

CPC Rectification of Films, Art Appreciation Analyzed W 1
[CHING PAO 10 May]
Yan Mingfu Appointment to United Front Work Examined W 3
[KUANG CHIAO CHING 16 May]
PRC Abolishes Sanxia Province Preparatory Group W 5
[TA KUNG PAO 25 May]
Taiwan To Take Legal Action Against Defecting Pilot W 5
[SOUTH CHINA SUNDAY MORNING POST 25 May]
CAL To Investigate Defecting Pilot's Mental State W 6
[HONG KONG STANDARD 27 May]
Editorial Views Consequences of PRC Return of CAL Plane W 7
[SOUTH CHINA MORNING POST 24 May]
Hong Kong To Investigate Compatriot Executed in Guangzhou W 8
[HONG KONG STANDARD 26 May]
Legality of Execution Questioned W 9
[HONG KONG STANDARD 26 May]

PRC UN DELEGATE CONDEMNS SOUTH AFRICAN RAIDS

OW240930 Beijing XINHUA in English 0806 GMT 24 May 86

[Excerpt] United Nations, May 23 (XINHUA) -- More than 10 countries including China today joined their voices in condemning the May 19 raids by South Africa against neighboring Botswana, Zambia and Zimbabwe at the U.N. Security Council meeting here. Liang Yufan, Chinese ambassador to the United Nations, said at the urgent meeting of the Security Council that South Africa's acts constituted a "gross encroachment on the sovereignty and territory of the three independent countries and wanton trampling upon the charter and the norms governing international relations." "Those new crimes," he continued, "have proved once again that the policy of racism stubbornly pursued by the South African authorities is the root cause for the disrupted peace and stability in the southern part of Africa."

The Chinese ambassador noted that the attack on Botswana, Zambia and Zimbabwe only showed that South Africa was beset with difficulites both at home and abroad and had to resort to force in order to maintain its rule. Liang said, "The movement of the South African people against racist rule has developed with great momentum. In its efforts to hold out for the apartheid system, the Botha regime has intensified its sanguinary repression of the South African people while attempting to intimidate and threaten its neighbors by force." He added, "Those maneuvers are in vain. Universal condemnation of South Africa amply demonstrates how isolated the South African racist regime is."

Ambassador Liang called for enforcing "appropriate mandatory sanction measures" against South Africa to bring greater pressure to bear on it and compel it to cease its criminal actions. The Chinese Government and people, the ambassador confirmed, "will, as they did in the past, continue to render resolute support for the South African people's just struggle against apartheid and for racial equality and firmly support the frontline states in their just struggle against South African aggression and in defense of their state sovereignty and territorial integrity."

CHINESE-AFRICAN STUDENTS CLASH IN TIANJIN

OW261301 Tokyo KYODO in English 1257 GMT 26 May 86

[Text] Beijing, May 26 KYODO -- Scores of Chinese students and over 100 African students scuffled at the campus of Tianjin University Sunday midnight, foreign students said Monday.

They said police arrested 17 African students and several Chinese and African students were injured in the free fight which lasted for a few hours.

The fight developed when Chinese students called on African students to be quiet when African students were singing at a party to celebrate the anniversary of the creation of the Organization of African Unity (OAU). The Chinese students claimed they were then assaulted by the African students.

The sources said the African students ran into a student dining hall and set up a barricade and about 400 Chinese students besieged the dining hall for about five hours until police arrived. Police said they took the African students away to protect them from the brawl.

YAO YILIN ENDS U.S. VISITS, LEAVES FOR CANADA

OW240549 Beijing XINHUA in English 0542 GMT 24 May 86

[Text] Seattle, May 23 (XINHUA) -- Chinese Vice Premier Yao Yilin left this city in Washington State for Canada today after concluding his 10-day visit to the United States. This morning, Yao and his party toured the port of Seattle, on the U.S. western coast, noted for its management of container transport. The port of Seattle has established sister-port ties with China's port of Tianjin and Shanghai. Later, Yao attended a luncheon hosted by Washington State Governor Booth Gardner at the Governor's Mansion.

Among the officials at the airport to see Yao leave were Chinese Ambassador to the United States Han Xu and Chinese Consul General in San Francisco Tang Shubei. The Chinese premier arrived in Washington, D.C., the U.S. capital, on May 14. While there, Yao met with President Ronald Reagan and Vice President George Bush. Yao also co-chaired the fourth session of the China-U.S. Joint Commission on Commerece and Trade with U.S. Commerce Secretary Malcolm Baldrige.

LI PENG MEETS U.S. SENATORS' DELEGATION 26 MAY

OW260728 Beijing XINHUA in English 0719 GMT 26 May 86

[Text] Beijing, May 26 (XINHUA) -- Chinese Vice-Premier Li Peng met a U.S. Senators' delegation led by John Heinz here this morning. Li answered questions raised by the visitors about bilateral relations and international issues. Li noted that the exchanges between China and the U.S. in economy, trade, science and technology as well as culture have developed over the past few years. "This is not only beneficial to the two peoples but also to safeguarding world peace," he added. Li said there exist broad prospects for bilateral cooperation in energy, communications and transportation and education. He also mentioned the trade imbalance between the two countries, adding that he hoped for earlier solution to the problem. Li said that protectionism appearing in the U.S. is unfavorable to the development of bilateral trade. He hoped that the U.S. legislature will make efforts to solve this problem.

PRC, AMERICAN MOTORS TO CONTINUE JEEP PRODUCTION

PW240630 Beijing XINHUA in English 0614 GMT 24 May 86

[Excerpts] Beijing, May 23 (XINHUA) -- China and the American Motors corporation of the United States (AMC) have agreed to continue making Cherokee jeeps in Beijing and to increase their use of Chinese-made parts. The agreement, announced in a joint statement issued today, was concluded by representatives of the China National Automotive Industrial Corporation and AMC in Beijing early last week. Both sides agree to finalize "in the near future" a "comprehensive and detailed development plan," the statement said.

According to the statement, the parties expressed confidence in the venture and acknowledged "its importance as an embodiment of Sino-American friendship." The Jeep Corporation was established on May 5, 1983 as China's first automotive joint venture with a foreign partner. Since then several others have begun operations elsewhere in China. The Beijing plant employs 4,000 Chinese workers and produced 21,500 vehicles in 1985.

PRC EXPERTS TO VISIT SOVIET NUCLEAR POWER STATIONS

OW230019 Tokyo KYODO in English 0008 GMT 28 May 86

[Text] Beijing, May 23 KYODO -- China has decided to send a mission of experts to visit Soviet nuclear power stations in June, marking the start of bilateral cooperation in this field despite the accident and subsequent radiation leak at Chernobyl last month, according to Western diplomatic sources here. Quoting Chinese authorities, the sources said the Chernobyl power station in the Ukraine is outdated and that the mission had not planned to visit the facility.

East European sources here said, meanwhile, that the Soviet Union will take the opportunity to try to sell nuclear power stations to China, but it is also expected to give a detailed explanation of the accident, regarded as the most serious ever involving a nuclear station.

China agreed during talks in March to send the mission to the Soviet Union but the Chernobyl accident had forced Chinese authorities to reconsider the plan. The mission was proposed by Soviet Vice Premier Ivan Arkhipov when he visited Beijing for the March talks, which covered bilateral cooperation in economic matters, trade and science and technology. In the meeting, the two countries reportedly agreed to include development of nuclear power as part of their energy cooperation.

CULTURAL AGREEMENT WITH USSR SIGNED IN MOSCOW

OW261550 Beijing XINHUA in English 1500 GMT 26 May 86

[Text] Moscow, May 26 (XINHUA) -- A cultural cooperation agreement for 1986-87 between China and the Soviet Union was signed here today. Li Zewang, Chinese ambassador to Moscow, and Mikhail Stepanovich Kapitsa, Soviet vice foreign minister, signed the agreement as heads of the two countries' cultural delegations. The agreement covers personnel exchanges and cooperation in science, education, arts, film, journalism, publication, sports, health, television and broadcasting. During its seven-day visit to the Soviet Union, which concluded today, the Chinese cultural delegation met with Soviet Culture Minister Petr Demichev and other officials.

GORBACHEV ADDRESSES USSR FOREIGN POLICY CONFERENCE

OW241738 Beijing XINHUA in English 1410 GMT 24 May 86

[Text] Moscow, May 24 (XINHUA) -- Soviet leader Mikhail Gorbachev Friday criticized the conduct of Soviet foreign policy at a foreign policy conference here. The official news agency TASS said that Gorbachev made a speech at a Moscow meeting of ministers, Soviet ambassadors and officials on "the task of the central apparatus and the institutions of the USSR Foreign Ministry abroad." Gorbachev in his speech analyzed the directions Soviet foreign policy should take in connection with domestic tasks being handled by the ruling party and changes in communist society and the world at large but no further details of his speech are available. Attending the meeting were Soviet Foreign Minister Eduard Shevardnadze who made a report at the meeting and Anatoliy Dobrynin, a senior foreign policy advisor and some ambassadors.

DENG YINGCHAO MEETS DPRK FRONT DELEGATION

HK250229 Xian Shaanxi Provincial Service in Ma 2330 GMT 24 May

[Text] On 24 May, CPPCC Chairman Deng Ying met in Xian a delegation of the Korean Democratic Front for the Reunification of the Fatherland headed by Chong Sin-hyop. In the course of a cordial and friendly chat, Deng Yingchao said: Originally I had intended to meet you in Beijing. Today I have come to Xian, where you happen to be visiting. Xian is China's famous ancient capital. I feel particularly glad to welcome you Korean comrades here. She said: The friendship of the Chinese and Korean peopl is cemented in blood. It is unbreakable. The Chinese people regard every victory and achievement of the fraternal Korean people as their own victory and achievement, and feel particularly happy about it.

Lifting her tea glass to Chong Sin-hyop, Deng Yingchao said: Using tea instead of wine, I wish health and long life to Chairman Kim Il-song, and good health to Secretary Kim Chong-il, and I wish ever-lasting friendship between the Chinese and Korean peoples.

Chong Sin-hyop thanked respected [illegible] Yingchao for finding the time to receive his delegation. He [illegible] Kim Il-song and Comrade Kim Chong-il. He [illegible] delegation of the Korean Democratic Front [illegible] ation of the Party, the tremendous changes that have occurred in China under the [illegible] sincerely wish the Chinese people still greater success. Chong Sin-hyop said: The friendship between China and Korea was personally forged by Chairman Kim Il-song, Chairman Mao [illegible] Enlai. This friendship is blossoming into still more beautiful flowers [illegible] said: The people of Korea will make every effort to continually strengthen the friendship between Korea and China and to pass it on for all generations.

Accompanying the Korean comrades to Xian were Yang Jingren, vice chairman of the CPPCC, and Wei Mingzhong, vice chairman of the [illegible]

LI PENG MEETS VISITORS JAPAN'S POWER INDUSTRY

OW241110 Beijing XINHUA English 1007 GMT 24 May 86

[Text] Beijing, May 24 (XINHUA) -- Vice-Premier Li Peng met Gaishi Hiraiwa, chairman of the Tokyo Electric Power Co, Inc of Japan, and his party today. They exchanged views on the development of the power industry of the two countries and the strengthening of bilateral exchange in science and technology. The Japanese friends arrived May 19 for a friendly visit at the invitation of Wang Zhen, honorary president of the Chinese Association for International Friendly Contact.

AUSTRALIAN PRIME MINISTER CONTINUES VISIT

Visits Nanjing With Hu Yaobang

OW231339 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 22 May 86

[Excerpts] On 22 May, Australian Prime Minister Robert Hawke, Mrs Hawke, and their entourage arrived in Nanjing by special plane from Chengdu in the company of Hu Yaobang, general secretary of the CPC Central Committee. Among those warmly greeting the distinguished Australian guests at the airport were Gu Xiulian, governor of Jiangsu Province; Chen Huanyou, vice governor of the province; and (Wang Rongbing), vice mayor of Nanjing City. After the smiling Prime Minister and Mrs Hawke, accompanied by General Secretary Hu Yaobang, deplaned, Governor Gu Xiulian and others stepped forward to shake their hands and exchange cordial greetings with the distinguished Australian guests. Two children presented bouquets to the prime minister and his wife respectively. Accompanying Prime Minister Hawke on the visit were his daughter, Ms Rosslyn Dillon; high-ranking Australian officials, including the secretary-general of the Department of the Prime Minister and Cabinet Mike Codd; and other members of his entourage. Also accompanying him to Nanjing were Chinese Vice Minister of Foreign Affairs Zhu Qizhen and Mrs Zhu, Chinese Ambassador to Australia Nei Gongcheng and Mrs Nie, as well as Australian Ambassador to China Garnaut and Mrs Garnaut.

In the afternoon, Prime Minister Hawke and other guests called at the office of the Jiangsu Provincial People's Government, where Governor Gu Xiulian briefed the distinguished guests on the development of industrial and agricultural production, foreign trade, culture and education, science and technology, and public health work in the province. After that, Prime Minister Hawke and Governor Gu Xiulian attended the signing of Sino-Australian agreement on the building a wool storehouse. Signing the agreement were He Zhengzhang, Chinese vice minister of textile industry and Australian Wool Corporation Chairman Asimus.

In the evening, Governor Gu Xiulian hosted a banquet at the Jinling Hotel to warmly welcome Prime Minister and Mrs Hawke and their entourage. Also present at the banquet were General Secretary Hu Yaobang; Han Peinin, secretary of the provincial CPC Committee; Vice Minister Zhu Qizhen, and Vice Minister He Zhengzhang. In a toast given at the banquet, Governor Gu welcomed Prime Minister and Mrs Hawke to Jiangsu on behalf of the provincial government and the people of the province. She said: Over the past few years, China and Australia, especially the state of Victoria, have increased their cooperation and exchanges in the economic, trade, scientific, technological, cultural, and educational fields and have scored gratifying results. These results have been achieved with the attention and support of Your Excellency as well as General Secretary Hu Yaobang and Premier Zhao Ziyang. Your Excellency's current visit is bound to enhance the friendship between the peoples of our two countries and to bring to a new stage the relations of friendship and cooperation between our province and the State of Victoria of your country.

Prime Minister Hawke said: We are very happy to have come to this beautiful province for a visit. Jiangsu is a province with which the Australian people are quite familiar. It is quite an achievement that you have doubled your gross value of industrial and agricultural production in 5 years and have taken the lead in your country. This is also a fruitful result of reforming the economic structure. The scope of cooperation between our Victoria State and your province has continued to expand. The exchange of visits by leaders of the two sides and other exchanges and cooperative projects have laid the sound foundation of the relations of friendship and cooperation between our Victoria State and your province. We wish you still greater success!

Meets Hu Qili

OW231402 Beijing XINHUA in English 1353 GMT 23 May 86

[Text] Nanjing, May 23 (XINHUA) -- Visiting Australian Prime Minister Robert Hawke met with Hu Qili, member of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC), here this morning. Hu Qili has taken over the task here of accompanying Hawke during the rest of his visit to China, from General Secretary Hu Yaobang of the CPC Central Committee. Hu Qili accompanied Hu Yaobang on a visit to Australia in April last year. At their meeting today, Hawke and Hu Qili recalled the visit. Hu Qili described Hawke's current visit to China as very important in the history of Sino-Australian friendship.

Accompanied by Hu Qili, Hawke visited Meishan Metallurgical Company by the Yangtse River. For the past ten years the company has been importing iron ore from Australia. After inspecting workshops and mining areas, Hawke said that he was proud of the achievements scored by the Australian side and the company in their coopration. He hoped that the two sides would continue to develop their cooperation.

This afternoon, Prime Minister and Mrs Hawke went to the Nanhu residential area where they visited families and welfare facilities. Later, they attended a cultural evening organized by the Jiangsu Provincial People's Government. Mrs Hawke also viewed a kindergarten, a children's hospital and the Purple Mountain Observatory in the morning.

Last night, Hu Yaobang and Hawke had a farewell meeting. Hu said that Hawke's visit has strengthened the friendship between Australian and Chinese leaders. Hawke thanked Hu for his company in Chengdau and Nanjing. While in Chengdu and Nanjing, Hu Yaobang and Hawke exchanged views on international issues and further development of bilateral relations.

Speaks in Nanjing

OW231109 Beijing XINHUA in English 1033 GMT 23 May 86

[Text] Nanjing, May 23 (XINHUA) -- Australian Prime Minister Robert Hawke expressed his hope here today for a sustained, and mutually beneficial relationship between China and Australia. In an address to several hundred teachers and students at Nanjing University, Hawke expounded the importance of the modernisation taking place in China and the implications of that for bilateral relationship. He wished China success in consolidating major economic reforms made to date, and he looked forward to the continuation of the process of making the Chinese economy more responsive and more outward looking.

Concerning the issue of Hong Kong, he said, "My government fully supports the Sino-British agreement on Hong Kong and we look forward to the smooth implementation of the agreement in a way that increases prosperity in Hong Kong and strengthens the people of Hong Kong's confidence in their future as a part of China."

"We look forward, too, to the day when Chinese people on both sides of the Straits of Taiwan can be reunited as a result of peaceful negotiations between them." "We regard the Taiwan question as an internal affair of China," he said. Therefore, he added, peaceful settlement of these issues will further enhance stabililty in the Asia-Pacific region. The topic of the prime minister's 30-minute speech is: Sino-Australian Relations and Their Place in the World.

On the issues of Australia for the Asia-Pacific region, he noted that the Australian Government "shares with China the goal of seeing the countries of Indochina become genuinely independent and non-aligned and, like you, we want an end to Vietnam's military occupation of Cambodia." "Australian's [as received] approach has been to explore avenues for a peaceful political settlement of these problems," he said. "We are uncomfortable about the increased military presence of the Soviet Union in the region," he added.

On the contact between the North and South Korea, he said that "We are pleased to see the increased contacts that are now taking place between the Democratic People's Republic of Korea and the Republic of Korea, but the situation on the Korean peninsula is still not free of tension." Noting that though the two countries start from different perspectives, Australia and China surely have a common interest in a relaxation of tensions on the peninsula.

Beginning the speech, the prime minister praised China's policy of modernizations as "bold" and "imaginative". "The implications are vital for us because we are, with you, part of the Asia-Pacific region and we have the capability to be a partner in your development," he said. Acknowledging that the priority of Australia's foreign policy principles is on Asia and the Pacific, he said "This means that the scope for constructive co-operation between Australia and China will increasingly extend beyond matters of bilateral interest and into the wider international domain." Quoting Chinese Premier Zhao Ziyang's words that the whole world is confronted with two major challenges, to maintain peace and to promote development, he said that "on these fundamentals I absolutely agree."

On world peace, Hawke called the present world disturbing, and threatened by nuclear weapons. "There must be arms control and there must ultimately be disarmament," he said. He appreciated the support China has given to the initiative taken by countries of the South Pacific, Australia included, to establish a South Pacific nuclear free zone.

On world development, he said, "Relations between the North and South must be based on both long term political commitment and economic good sense. Australian policy recognizes the importance of aid, and we provide it." He called trade "a major contributor to growth and development," and said that adjustment in the developed countries is important particularly in those sectors where developing countries have real chance of gaining markets because of their comparative advantage.

Visits Xiamen

OW241436 Beijing XINHUA in English 1337 GMT 24 May 86

[Text] Xiamen, May 24 (XINHUA) -- Australian Prime Minister Robert Hawke today officially opened the Zhangzhou International Wool Company Ltd., a Sino-Australian joint venture between Zhangzhou Jute Mill and Macquarie Worsteds Ltd., in east China's Fujian Province. The Prime Minister and Mrs Hawke and their party flew into Xiamen, Fujian Province, from Nanjing this morning in the company of Hu Qili, member of the Political Bureau of the Chinese Communisty Party Central Committee. They were greeted at the airport by Fujian Governor Hu Ping and Xiamen Mayor Zou Erjun, who later gave a luncheon in honor of the Australian visitors. This afternoon, Hawke and his party viewed the Dongdu dock and went sightseeing. Sources said that an Australian firm had completed the feasibility study of the second-phase construction of the dock. The Australians left Xiamen late in the afternoon for Guangzhou, Guangdong Province. They were seen off at the airport by Hu Qili and local leaders.

Departs for Philippines

OW250607 Beijing XINHUA in English 0556 GMT 25 May 86

[Text] Guangzhou, May 25 (XINHUA) -- Australian Prime Minister Robert Hawke and Mrs. Hawke and their party left here for the Philippines by special plane this morning at the end of their official visit to China. Earlier this morning Vice-Minister of Foreign Affairs Zhu Qizhen conveyed to the prime minister, Mrs. Hawke and their daughter the greetings from Chinese Premier Zhao Ziyang by telephone. Zhao said: "Your visit has further strengthened our mutual understanding and trust, which will surely promote bilateral friendly cooperation between our two countries and contribute to its long-term and stable development."

Hawke thanked Zhao for the latter's telephone greetings to him before his departure, adding that during his stay in China he had a wide range of discussions with Chinese leaders and deepened his understanding of China's economic reform. Hawke was seen off at the airport by Governor of the Guangdong Province Ye Xuanping and Vice-Minister Zhu Qizhen. Hawke and his party arrived here from Xiamen by special plane yesterday.

SINGAPORE DEPUTY PREMIER BEGINS VISIT TO PRC

OW231608 Beijing XINHUA in English 1525 GMT 23 May 86

[Text] Singapore, May 23 (XINHUA) -- The Singapore Second Deputy Prime Minister Ong Teng Cheong left here today for an official visit to China. Ong told XINHUA at the international airport that his visit to China is mainly to attend the opening ceremony of an office of Singapore Trade Development Board in Shanghai and also to meet Chinese leaders to discuss the bilateral economic relations between the two countries. He expressed the hope that his visit will enhance the understanding and friendship between the peoples of the two countries.

Referring to the economic cooperations between China and Singapore, Ong said China planned to expand the Shanghai airport and improve Shanghai harbour installations. Singapore is interested in these projects. Singapore has gained some experiences in the construction of its international airport and seaport, it would like to share the experiences with China, he added. The Shanghai trade office is Singapore's second trade office in China. The first was set up in Beijing in 1981.

Arrives in Shanghai

OW231613 Beijing XINHUA in English 1436 GMT 23 May 86

[Text] Shanghai, May 23 (XINHUA) -- Ong Teng Cheong, Singapore's second deputy prime minister, his wife and their party arrived here this afternoon at the start of a goodwill visit to China. Among those greeting them at the airport were Ni Tianzeng, vice-mayor of Shanghai. Accompanying Ong Teng Cheong on the visit were chairman of the Trade Development Board Chandra Das, and chairman of the Civil Aviation Board Sim Kee Boon.

This evening, Ni Tianzeng, on behalf of the municipal government, gave a banquet in honor of the Singapore guests at the international hotel. Ni said in his toast that, in recent years, progress has been made in the friendly relations and economic and trade contacts between the two countries. He was confident that the visit to Shanghai by the Singapore guests would further promote mutual understanding, exchanges and cooperation between the two sides.

This proposal has been supported by many countries, such as the ASEAN countries, China, Japan, Egypt, Mauritania, West Germany, and the United States. These countries hold that the CGDK proposal is fair, reasonable, and conducive to a just and reasonable resolution of the Cambodia issue and the realization of peace and stability in Southeast Asia and even the Pacific region. FRG Chancellor Helmut Kohl, who recently visited Thailand, also said: "This proposal looks after the interests of all relevant parties and will serve as a starting point for a peaceful resolution of the Cambodia issue."

However, Vietnam has unreasonably rejected this proposal. On his stopover in Bangkok on 20 April, Vietnamese Foreign Minister Nguyen Co Thach denounced the CGDK proposal for its failure to recognize the Heng Samrin regime as a legitimate government and for asking Vietnam to recognize the CGDK. He stubbornly asserted that the CGDK proposal "has no practical significance." At their recent meeting on the Indonesian island of Bali, the ASEAN foreign ministers appealed to Vietnam to change its stand, Vietnam again refused to reconsider its stand on the Cambodia issue.

Political observers in Bangkok hold: The fact that Vietnam has rejected the CGDK's reasonable proposal shows that Vietnam persists in forcibly occupying Cambodia. Its professed "willingness to find a political solution to the Cambodian issue" and "to withdraw its forces from Cambodia by 1990" is only another tactic to attain this objective.

People in the diplomatic circles here are not surprised by Vietnam's rejection of the 8-point proposal. A Western diplomat who refused to disclose his name said: "The Cambodian anti-Vietnamese forces have launched the guerrilla warfare and put forward the negotiation proposal with the aim of restoring their country's independence and sovereignty, while Vietnam has done everything with the aim of occupying other people's territory." Some diplomats hold that, in the face of such an enemy as Vietnam, the Cambodians will have to wage an arduous struggle and pay a high price. However, they will continue to get the support of world public opinion and the international community.

By unreasonably rejecting the CGDK proposal, Vietnam has revealed its hypocrisy. But it will never let the matter drop. It is reckoned here that, since the rainy season has started, the Vietnamese aggressors are not likely to launch a large-scale military operation in Cambodia but are likely to intensify their military encirclement and suppression of the anti-Vietnamese forces in the next dry season and that Vietnam will play new diplomatic tricks in an attempt to deceive public opinion again. However, with 8 years of experience in fighting the Vietnamese aggressors, the leaders of the CGDK know how to deal with them. The leaders of the three parties told reporters some time ago that the resistance forces have no choice other than strengthening unity. On the battlefields and the diplomatic front, the resistance forces must deal with the common enemy with one mind.

LIAOWANG ASSESSES U.S. POLICY SINCE FALL OF MARCOS

HK160821 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 19, 12 May 86 pp 26-27

[Article by Peng Di: "U.S. Policy Trends as Seen From the Change of the Philippine Regime"]

[Text] When the regimes in the Philippines and Haiti changed, it was U.S. intervention which accelerated the fall of Jean-Claude Duvalier and Ferdinand E. Marcos. This trend has roused people's attention. They all asked: Has there been any change in U.S. policies?

The United States has always regarded some pro-U.S. and anticommunist regimes as its "old friends" and spared no effort to support and protect them. Both Duvalier and Marcos are old friends of the United States, but this time, when they were pounded by the struggle by the opposition at home and going to collapse, the United States forced them to leave their countries and allowed the opposition to come to power.

It seems that the United States has been forced step by step by the development of history to change its practice in this way.

From a historical point of view, the United States has learned countless lessons from its practice in supporting its old rightest friends. No matter how much the United States spent, no matter how many weapons it gave and how many troops it sent, it could not maintain in power these corrupt regimes which had already become utterly unpopular nor could these regimes protect U.S. interests.

In order to maintain such a regime in South Vietnam, the United States sent over half a million troops and spent hundreds of billions of U.S. dollars, but still failed. On the contrary, U.S. aggression and intervention not only caused the United States to suffer defeats on battlefields and strategic setbacks, but also caused it to be thoroughly decredited and gave rise to political turbulence at home. It thus suffered inestimable losses.

Since the Vietnamese war, in supporting rightist regimes, the United States has resorted most frequently to giving political support and economic aid and supplying weapons, and generally, it has refrained from sending its troops to carry out direct intervention.

Over the past few years, there has been a further readjustment of U.S. practices and the Philippines is a typical example. In that country, there are U.S. military bases as well as people's revolutionary movements, and there was a fairly strong opposition linked with the United States as well as the Marcos government which was closely linked with the United States. The people's struggle and the struggle among the various upper-level factions in the military and government interlocked and a crisis was imminent. In 1983, former opposition leader Benigno Aquino returned to the Philippines from the United States and was assasinated as soon as he arrived at Manila airport. This incident touched off the drastic intensification of the contradictions. Then the demand for reform swept all over the country and there was a sharp turn in the situation, which finally went out of control.

Under these circumstances, the United States decided to force the crumbling Marcos regime to abandon its final desparate struggle. First, this was aimed at stabilizing the situation, avoiding violent clashes, and preventing the people's movement from spreading; second, in the name of supporting democratic reform, it made the opposition come to power as its friend in order to preserve its interests and influence including its military bases. In the face of a powerful people's movement, the United States could not help but desert its old friend for its own interests.

Is this U.S. practice -- the "tactics of changing horses" -- what it has been used to adopting?

The "tactics of changing horses" has indeed been a common trick for the United States and is nothing new. The various kinds of coup d'etat in some countries, in particular in Central and South America were often the direct or indirect results of U.S. intervention. In Vietnam, the United States planned and arranged the coup d'etat to kill the Ngo Dinh Diem brothers and substitute the Nguyen Van Thien's family for them.

However, this trick of substituting one puppet clique for another through a simple and brutal palace coup differed from the recent practice of the United States in the Philippines. This time, the United States studied the national situation, people's feelings and the balance of strength between various factions at the upper level in the Philippines, attached relatively great importance to the role of the opposition, and got ready for two possible developments in the situation long ago. It strengthened its tie with the opposition as well as expressing support to the Marcos government. When Marcos was unable to control the situation and when the United States realized Marcos' rule opposed the people's will and saw the trend of developments, it resolutely deserted that "old friend." This time, there was not a large-scale bloody struggle, but more of a palace coup by a small number of people in the process of substituting a new regime for the old one. Some people call this new approach the United States' "new pragmatism."

Has the United States changed the policy of "not deserting old friends," which it has often reiterated? In handling relations among people as individuals, "not deserting old friends" is a virtue. But as a state policy in handling their relations between governments, it is untenable in law and reason and impractical in real life in the world. For changes of regimes are common in various countries. Such a change can only be decided by a country on its own and no other country is empowered to interfere in the change. It is understandable that some people in another country are willing to keep personal relations with their so-called "old friends" who have lost power or been overthrown in a country. However, people would have an axe to grind if they continue to regard their overthrown old friends as political entities or antigovernment force. Interfering with other countries' internal affairs on the excuse of "not deserting old friends" is not allowed by international law, morality and justice. This is a principle very easy to understand. Judging by the deeds of those who have declared that they do not understand this principle, they supported their old friends only in the light of their own needs. When their old friends became useless or even became burdens to them, they turned these friends away as strangers. Only their current way of deserting their "old friends" is more civilized than the previous one.

It is said that U.S. acts in Haiti and the Philippines were aimed at supporting the democratization in these countries. These words themselves are not very democratic. A man who really believes in democracy should respect the principle that the people of a country are the masters over the country and believe that they will be able to choose their own way to decide the system that is suited to their national conditions and establish the government they desire. Public or secret foreign interference has nothing in common with the concept of democracy and should not be confused with the people's struggle for democracy in the country concerned.

A review of what the United States has done toward Nicaragua will make us see more clearly the essence of U.S. policies. The Nicaraguan people have overthrown the Somoza regime which even the Untied States regarded as extremely undemocratic at that time. However the United States does not support the new Nicaraguan government; on the contrary, it has threatened, tried to overthrow, and interfered with the new government by military force.

It is said that the United States has done so in order to oppose both "rightist and leftist tyrannies." This has entirely strayed from the point. It not only shows little respect for democracy, but it is an arrogant practice of acting as an arbiter for democracy and of fighting against things in the territory of other countries. No wonder, some people call this a practice of "new interventionism."

Both "new pragmatism" and "new inerventionism" have the adjective "new" and show that there has been some readjustment to meet the change of times. But this readjustment is only an expedient change in tactics rather than any essential change in policies. It is worth thinking profoundly about what kind of readjustment conforms to the trend of times.

The changes of U.S. tactics in Haiti and the Philippines are about to give rise to chain reactions. All the "old friends" who rely on U.S. support and on political measures or curfew at home to maintain their rule are frightened. Some of them have hurried to release a few imprisoned political enemies and posed as enlightened rulers, for fear that the Philippine-type incident emerge in their countries. Others have publicly expressed their indignation against what the U.S. Government has done. Still others have pretended to be well at ease in a desperate attempt to cover the fact that they have been disturbed. People are all talking and guessing over who will be the next to collapse.

In short, the struggle for peace and democracy is an irresistable trend in the world today which no interventionists are able to stop. Sooner or later, all the policies that are not suited to the times are not essentially changed, will be eliminated by time.

ZHANG JINGFU RECEIVES MALAYSIAN TRADE MISSION

BK221406 Beijing in Malay to Malaysia 1230 GMT 22 May 86

[Text] Our radio correspondent has quoted PRC State Councillor Zhang Jingfu as saying that the expansion of trade and economic relations between the PRC and Malaysia is the common wish of the two countries and is in harmony with the interests of the Chinese and Malaysian peoples. Zhang Jingfu made the remarks when he met with a trade delegation from Sarawak state, Malaysia, led by Tan Sri Datuk Amar Sim Khen Hong at the Great Hall of the People in Beijing last night. Zhang Jingfu added that the PRC and Malaysia are friendly countries that maintain cordial relations. They are located near each other in Asia, enabling them to maintain bilateral relations easily. Both suffered unpleasant experiences in the past, and now both face a common historical task namely, developing their own economies.

Zhang Jingfu also called for more visits to the PRC by Malaysian Government officials and Malaysian businessmen and stressed the importance of improving mutual understanding because this will in turn improve bilateral trade and foster cordial relations. He said that Sarawak possesses rich natural resources and the PRC is willing to cooperate with the Sarawak state.

The Sarawak trade delegation leader, Sim Kheng Hong, said that Malaysia highly appreciates the PRC's open-door policy. Malaysia is a developing country and will continue to maintain cordial relations with the PRC and improve mutual understanding. He also expressed Sarawak state's wish to further upgrade trade and economic ties with the PRC. Also present during the talks were (Xia Zhe), chairman of the China Council for the Promotion of International Trade, and his deputy, Guo Dongpo. Today, the Malaysian guests visited the Great Wall.

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN TRIP

Meets EC Officials in Belgium

OW231556 Beijing XINHUA in English 1513 GMT 23 May 86

[Text] Brussels, May 23 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian discussed the situation in Europe and Asia, the world economy and bilateral relations with EC Commission President Jacques Delors here this morning. During the meeting, Delors briefed Wu on the development of the European Communities (EC) and its efforts to improve North-South relations and to seek a fairer new international economic order.

Wu said he appreciated EC's efforts for better North-South relations and expressed support for the European hi-tech "Eureka" project. Both sides expressed satisfaction with bilateral relations and cooperation and called for closer cooperation in all fields. Wu said China's trade with the communities was progressing, but expressed concern that the trade was unfavorable toward China. "We are in favor of seeking a positively balanced two-way trade," he said. The Chinese foreign minister also met with Willy de Clercq, EC commissioner in charge of external relations, this morning.

Received by King; Hosts Banquet

OW240050 Beijing XINHUA in English 0033 GMT 24 May 86

[Text] Brussels, May 23 (XINHUA) -- The friendly cooperation between China and Belgium will be further strengthened and developed, said Chinese State Councillor and Foreign Minister Wu Xueqian here tonight. At his return banquet, Wu Xueqian also noted that his meeting with King Baudouin I and his talks with his Belgian counterpart Leo Tindemans show that China and Belgium have identical or similar views on many international issues, and that both countries attach great importance to the development of Sino-Belgian relations and the expansion of areas of cooperations.

In reply, Tindemans praised China's foreign policy, saying that it manifests the increasingly important role China plays as an independent and non-aligned force and a force of peace in the international arena. He described such role as "decisive". Also present at the banquet were other Belgian high-ranking officials. Earlier today Wu was received by King Baudouin I in his palace and they discussed bilateral relations and the world situation.

Views DK, Arms Control

OW240104 Beijing XINHUA in English 0045 GMT 24 May 86

[Text] Brussels, May 23 (XINHUA) -- Chinese Foreign Minister Wu Xueqian told his Belgian counterpart Mr. Leo Tindemans today that China always likes to see a more closely united West Europe, which will be in the interests of peace and stability not only in Europe but also in the whole world. China supports the development of the European Community, Wu added. Wu Xueqian, who is also China's state councillor, arrived here yesterday on the fifth leg of his current nine-nation Europe tour.

In their talks this afternoon, Wu and the Belgian minister for external relations exchanged views on a number of international issues and matters of bilateral relationship of common interest. Both sides expressed satisfaction with the development of relations between the two countries.

The two ministers shared the hope that the United States and the Soviet Union would conduct serious disarmament talks and reach agreements on heavy arms cuts without implications detrimental to the interests of other countries. The two ministers also maintained that efforts should be made towards a peaceful solution to the Kampuchea issue. They agreed that the eight-point proposal advanced by the resistances forces of Democratic Kampuchea may serve as the basis for talks for such a solution.

Meets UK's Howe in Brussels

OW240152 Beijing XINHUA in English 0140 GMT 24 May 86

[Text] Brussels, May 23 (XINHUA) -- Visiting Chinese State Councillor and Foreign Minister Wu Xueqian hosted a luncheon today for Sir Geoffrey Howe, British Secretary for foreign and commonwealth affairs, at the residence of the Chinese ambassador to Belgium here. During the luncheon party pervading with a friendly atmosphere, the two exchanged views on relations between China and Britain as well as on international problems of common interest.

Views Relations With Europe

OW241026 Beijing XINHUA in English 1009 GMT 24 May 86

[Text] Brussels, May 23 (XINHUA) -- Chinese Foreign Minister Wu Xueqian told a host of Belgian dignitaries here today that the fact that China and West Europe share both challenges and major interests provides a solid foundation for establishing a cooperative relationship of mutual-benefit between them. Wu Xueqian, who is also China's state councillor, was addressing more than 300 people on "China Committed to Peace and Development" at Belgium's Royal Institute of International Relations. Wu told the meeting, which was presided over by Belgian Minister of External Relations Leo Tindemans, that China and Western Europe meet in many areas and have no conflict of fundamental interests between them.

He specified that both parties are peace-lovers pursuing economic development in peace opposed to power politics and upholding all states being equals, and seeking to turn the present polarized world politics onto a pluralistic basis. Both parties want to be the masters of their own destinies and stand for better North-South relations through dialogue, he added. Wu went on to say, as China and Western Europe are complementary to each other economically, they can well be partners to a mutually beneficial cooperation rather than antagonistic competitors. He said that China wants to establish long-term, stable relations of friendly cooperation with West European countries and is ready to import more goods and technology from them. At the same time, China hopes to see Western Europe import more from China and invest more there to help transform its industry.

Wu is in Belgium on the fifth lap of his current nine-nation Europe tour, which has already taken him to Finland, Sweden, Norway and Denmark. He told the listeners that he is making the trip in pursuit of peace and cooperation, and that deeply impressed by Western Europe's strong desire for peace and for cooperation with China, he has become more confident in the prospects of China's relations with Europe. Referring to the world situation as a whole, Wu said that the world today is faced with two fundamental questions -- peace and development. These are the very two objectives towards which China's national policy is geared, he pointed out. Wu said the confrontation between East and West is essentially one between the two superpowers, whose escalation of armament constitutes a serious menace to world peace and the security of all countries.

China, he said, is concerned with peace not only in Asia but also in Europe, where the two military blocs are in direct rivalry and nuclear armament is concentrated. But both the Eastern and Western part of Europe are aware of the danger and are demanding arms cuts and the replacement of confrontation with dialogue. So both parts are important forces to curb war and safeguard peace.

Wu said that China holds the independence and sovereignty of all European countries should be respected, with their security ensured. China, he added, likes to see a peaceful and stable Europe and supports the efforts of countries of both parts to increase exchanges and improve mutual relations be transcending bloc interests and differences in social system and ideology. He said China appreciates the effort of West European countries to strengthen themselves in unity and likes to see a stronger European community playing an increasingly important role on the international arena.

Tours Antwerp, Waterloo

OW250612 Beijing XINHUA in English 0559 GMT 25 May 86

[Text] Brussels, May 14 (XINHUA) -- Chinese Foreign Minister Wu Xueqian continued his visit to Belgium today before leaving for Luxembourg tomorrow, the sixth stop in his current nine-nation European tour. In the company of his Belgian counterpart Leo Tindemans, the Chinese Foreign Minister visited the Bell Telephone Mfg. Co. in Antwerp, Belgium's main port. He was greeted by the company's general manager and was briefed about progress in the joint production of telephone transmitters between Bell and a company in Shanghai. Bell was the first enterprise in the West to transfer advanced technology to China in an agreement signed in 1984 with the Shanghai concern. Later, Wu and his party visited the Rubens' house, the former residence of the world-famous 17th century painter.

Later the Chinese foreign minister was received by Antwerp Mayor H. Cools at City Hall and then went for a cruise in the port, the fourth biggest port in Europe with an annual handling capacity of 45 million tons. Antwerp is a sister city with Shanghai and a joint venture with a Chinese shipping company is located in the port city. Wu and his party then visited the famous battlefield of Waterloo to the south of Brussels where in 1815 the Armies of French Emperor Napoleon were defeated by a joint Prussian and British force. In the evening, the foreign minister met with representatives of the local Chinese communities and of Chinese students studying here.

Arrives in Luxembourg

OW251549 Beijing XINHUA in English 1549 GMT 25 May 86

[Text] Luxembourg, May 25 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian arrived here from Belgium today to start and official visit to Luxembourg. Luxembourg Deputy Prime Minister and Minister of Foreign Affairs Jacques Poos met Wu at the Belgian-Luxembourg border. Chinese Ambassador to Luxembourg Liu Shan accompanied Wu on his trip from Brussels to Luxembourg.

Visits Hydroelectric Plant

OW260010 Beijing XINHUA in English 2338 GMT 25 May 86

[Text] Luxembourg, May 25 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian today visited the Centrale Hydro-electric de Pompage in Vianden some 30 kilometers north of the capital.

Jacques Poos, vice-prime minister and foreign minister of the Grand-Duchy of Luxembourg, accompanied his Chinese counterpart in the visit this afternoon. The Vianden hydroelectric station has a lower and an upper reservoir connected by pipes through the mountain. Largely completed during the 1960s, the complex is an international undertaking with a capacity of 1.1 million kw.

Wu also visited the huge part of a ruined castle on a promontory above the town of Vianden. The medieval castle was built during the 11th to 13th centuries. As the most picturesque town in the Grand-Duchy, Vianden overlooks the Our river, which is the borderline between Luxembourg and Federal Germany.

Meets Luxembourg Leaders

OW270026 Beijing XINHUA in English 0011 GMT 27 May 86

[Text] Luxembourg, May 26 (XINHUA) -- Grand Duke Jean of Luxembourg and Prime Minister Jacques Santer met Chinese State Councillor and Foreign Minister Wu Xueqian here today on separate occasions and held friendly talks with them. Wu, who arrived here on Sunday for a two-day visit, conveyed greetings of Chinese Premier Zhao Ziyang to the grand duke, who in turn expressed his satisfaction with the on-going economic reform in China.

Earlier, the Chinese foreign minister held talks with his Luxembourg counterpart Jacques Poos on East-West relations, the situation in Europe and Asia, relations between China and European communities as well as bilateral relations. The two sides had common or similar views on many international issues.

In the talks, Poos stressed that nations other than the United States and Soviet Union are not in a state of inertia on the peace and disarmament issues and should not be excluded from the disarmament talks. He also emphasized that the Europeans see China, which enters into no alliance with any of the superpowers, as an important factor of balance in maintaining a safe world. He also stressed the important role of cooperation between Europe and China in maintaining peace and stability in the world.

Wu was given a farewell dinner by Poos at the Seningen State House before his departure for Ireland this afternoon.

Wu Arrives in Ireland

OW270035 Beijing XINHUA in English 0020 GMT 27 May 86

[Text] Dublin, May 26 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian arrived here this evening for a two-day official visit to Ireland, the first visit ever by a Chinese foreign minister to the Western European country. Wu, who flew in this afternoon after concluding a two-day visit to Luxembourg, was greeted at the airport by Irish Foreign Minister Peter Barry, Irish Ambassador to China Dermot Waldron and Chinese Ambassador to Ireland Xing Zhongxiu.

The Chinese foreign minister is expected to meet with Barry and Prime Minister Garret Fitzgerald for talks on bilateral and international issues. Wu is on a nine-nation European tour that will also take him to Hungary and Democratic Germany.

QIAN YONGCHANG ATTENDS FRG EMBASSY RECEPTION

OW230635 Beijing XINHUA in English 0607 GMT 23 May 86

[Text] Beijing, May 23 (XINHUA) -- Per Fischer, ambassador of the Federal Republic of Germany to China, gave a reception here today to mark the 37th anniversary of the proclamation of the constitutional law of his country. Chinese Minister of Communications Qian Yongchang was among those present at the reception.

17TH ITALIAN COMMUNIST PARTY CONGRESS VIEWED

HK161452 Beijing LIAOWANG in Chinese No 13, 5 May 86 pp 32-34

[Article by Yu Yuanjun: "A Grand Gathering for Reform and Unity of Italian Communists"]

[Text] Florence, the cradle of the Italian Renaissance, offers a breathtaking panorama with its mountains and rivers. The Arno River, flowing calmly through the city into the ocean, has nurtured generations of industrious Florentines. Spring, in all its splendor, has added brilliance to this world renowned ancient city. It was in a modern sports stadium in this city that the Italian Communist Party [PCI] held its 17th national party congress from 4 to 13 April.

The congress hall was decorated in a solemn and simple manner. The curtains adorning the rostrum had a few lines of eye-catching slogans: "A Modern, reforming Party," "An alternative programme for Italy and Europe." These slogans expressed the central topic of this congress. At the same time, they indicated that the Italian Communist Party wants to adapt itself to a new situation characterized by technological progress and to create a path leading to socialism. At the center of the hall were seats for some 1,100 official delegates and party members invited to attend the congress. Foreign delegations, diplomatic corps and representatives from Italy's different democratic political parties were seated separately on both sides of the hall. Invited to take part in the party congress were some 110 delegations from foreign communist parties, workers parties, socialist parties, social democratic parties and national liberation organizations. The Chinese Communist Party delegation headed by Giao Shi, member of the Political Bureau and the secretariat of the CPC Central Committee, also attended the congress. In the words of the Italian Communist Party's leading comrade, this was an international gathering.

At the opening session, General Secretary Natta made a lengthy report giving an overall summary of the situation at home and abroad as well as the domestic and foreign policies of the Italian Communist Party. Just as he has emphasized, the lever to a party's vitality is innovation. His report fully exemplified the PCI's spirit to undertake domestic innovations, reforms and explorations. He believed that under the siege of a new round of technological revolution, while the traditional working class has not disappeared, the people must, however, take clear note of the changes in social classes and strata. New departments and occupations are emerging in numbers; the role of the old system is weakening. The number of employed and self-employed is increasing. Medium and small scale enterprises are now in the ascendant, while large enterprises have become even more centralized and international. In the new technological society, class conflict has not disappeared, but the forms in which it is manifested have undergone enormous transformation. Hence, it is necessary that the party be adapt in discovering these changes; judge the hour and size up the situation; adapt to changing conditions; and continuously adjust its policies and strategies.

It is also necessary to consolidate the party's influence among the traditional working people as well as vigorously uniting intellectuals, technicians, scholars, experts in new departments and small entrepreneurs. Natta pointed out that any form of ideological stagnation is unacceptable. Therefore, it is imperative to conduct continuous political and theoretical probes. The party should rid itself of the attitude of waiting for the opportunity and of the idea that socialism will come about naturally. Class conflict will not be resolved by itself and it is only through the relentless struggles of communists that the goal of socialism can be realized.

The Italian Communist Party is the biggest communist party in Western Europe. For years now, it has adhered to independence and self-initiative, dared to explore and innovate, and is adept at integrating Marxism with Italian conditions. It has carried out unremitting efforts in search of a specific path leading to socialism. In his report, Comrade Natta reiterated the "democratic alternative" line formulated earlier by the late Comrade Berlinguer and made it more clear and specific. In his closing remarks, he further explained the meaning of "alternative." He said: Alternative does not simply mean the establishment of a leftist government nor does it cover only relations with socialist parties; it should also include different political forces and movements representing society's needs. In order to realize the goal of a "democratic alternative", Nata believed that it is necessary to draw up a vigorous program, organize a broad struggle movement, and form an alliance of revolutionary character, that is a programmed government. This program will abolish the doctrine that ideology is supreme, and set as criteria instead, the recognition and acceptance of the program as the basis to determine whether specific parties could join the government. Ideology will not be used to define parties as ruling and opposition. Natta emphatically pointed out that the alternative is a positive strategy which could transform the ruling class and substitute leadership by new politics and government for it.

On international politics, the Italian Communist Party congress reiterated the party's consistent policy of peace, detente and disarmament. Natta put forward that the fate of the world should not be held in the hands of the two superpowers and that each and every country in the Eastern and Western alliances should contribute its share to detente, balanced disarmament and the gradual elimination of blocs. The PCI steadfastly opposes the arms race and the expansion of the arms race into space.

On building the party, the PCI advocates strengthening democracy within the party, perfecting party life and invigorating the party.

Right from the beginning to end, the party congress was full of vitality and proceeded in an atmosphere heavy with democracy. The delegates spoke without inhibitions and some 70 to 80 persons addressed the congress. They spoke highly of General Secretary Natta's exposition on the PCI's domestic and foreign policies. At the joint session of the Central Committee and the central supervisory committee which were both newly elected during the congress, Natta was reelected as general secretary of the PCI Central Committee. A former schoolteacher, 68-year-old Natta first assumed the position after the death of then PCI General Secretary Berlinguer in 1984.

The PCI's party congress achieved broad unanimity on the goal of realizing reform and party modernization. As Natta said in his closing address, through this congress, the party grew stronger and more united. The task put to the entire party by the congress is arduous. It asked that all comrades in the party march forward with greater courage and force, with a sense of responsibility and full of confidence.

FORMER PARTY LEADER HUA GUOFENG APPEARS IN PUBLIC

HK260536 Hong Kong AFP in English 0455 GMT 26 May 86

[Text] Beijing, May 26 (AFP) -- Former Communist Party Chairman Hua Guofeng, who disappeared from the political scene with the accenssion to power of senior leader Deng Xiaoping, was seen in public recently, a well-informed Western source said here Monday.

Mr Hua, 65, was apparently in good health when he was seen at the Tomb of Emperors of the Qing Dynasty about 120 kilometers (75 miles) northeast of here May 18, the sources said.

He was seen as a French delegation visited the tombs, the sources said. Mr Hua was not presented to the visitors, but spent several minutes chatting to a Chinese official accompanying them.

Mr Hua, one of Mao Zedong's "heirs," was chairman of the Communist Party from Mao's death in 1976, but was gradually pushed aside as Mr Deng consolidated his power, and finally lost the post in 1981.

He remains one of the 210 members of the Communist Party Central Committee.

Mr Hua met with former Japanese Foreign Minister Masayoshi Ito in September. He was glimpsed briefly on Chinese television in April 1982, wearing a hospital gown, in the line-up of officials at a public parade.

Some reports said he was also seen on the podium during 35th anniversary celebrations of the founding of the People's Republic in October 1984, but no photographs of the occasion showed him.

HU YAOBANG ADDRESSES SICHUAN LEADERS 22 MAY

HK230125 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 22 May 86

[Text] According to SICHUAN RIBAO, on 22 May CPC Central Committee General Secretary Hu Yaobang cordially received leading comrades and veteran comrades of the Sichuan Provincial CPC Committee, the CPC Committee of Chengdu Military Region, the provincial Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, Government and CPPCC. The reception took place in the small hall of the Jinniu Hotel at 0900. Veteran comrades who had battled all over the country for several decades for the revolution were very excited on hearing that Comrade Yaobang would receive them, and they arrived at the hall long before the reception time.

Seeing so many people assembled, Comrade Yaobang said when he entered the hall: I will just shake hands with 20 or 30 veteran comrades; I cannot shake hands with all 200. Greetings to the veteran comrades! I wish you good health and long life!

Comrade Yaobang said: Veteran comrades are treasures of the revolution. It is thanks to them that the revolution has succeeded today. Nor can we create a new situation without the veteran comrades.

Comrade Yaobang said: The veteran comrades are old. If they continue at their work posts, their strength will not be equal to their ambitions. The revolution can only develop if they allow young comrades to take over from them. Otherwise, our revolutonary cause will be discontinued.

Comrade Yaobang urged the veteran comrades to make proper arrangements for their daily life in their final years. How to make proper arrangements for oneself is a new problem encountered by veteran revolutionaries. The hall resounded with lively, knowing laughter at these words.

Comrade Yaobang also made an important speech on the maturing of young cadres, the situation, and work in Sichuan.

DENG XIAOPING DONATES BOOK ROYALTIES TO CHILDREN

OW270725 Beijing XINHUA in English 0717 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- Chinese leader Deng Xiaoping has donated 4,025 pounds sterling (about 6,000 U.S. dollars or 18,641 yuan) from his book royalties on May 26 to the Soong Ching Ling foundation. It will be used to promote children's education in science and technology, according to a foundation spokesman today.

Deng is chairman of the Central Advisory Commission of the Communist Party of China and also honorary president of the foundation. The donation, made yesterday, comprised the entire royalties for the first English edition of the book "Deng Xiapoing: Speeches and Writings", which was published by Britain's Pergamon Press Ltd in London in 1985.

The foundation was set up by relatives of Madame Soong Ching Ling, late honorary president of the People's Republic of China. It serves the cause of promoting the educational and cultural opportunities for the younger generation, a cause cherished by Madame Soong.

TIAN JIYUN URGES NINGXIA LOCALS TO BECOME WELL-OFF

OW240430 Beijing XINHUA Domestic Service in Chinese 0155 GMT 23 May 86

[Text] Yinchuan, 23 May (XINHUA) -- During an inspection tour of the Ningxia Hui Autonomous Region, Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, urged cadres at all levels to lead the masses to transform the loess plateau and help the local people become well-off. He told local officials to guide the masses to accomplish this great task, which will benefit future generations, by carrying out the spirit of "the foolish old man who moved the mountain."

Tian Jiyun inspected Ningxia from 20 to 22 May after accompanying Comrade Hu Yaobang in his inspection tour of Gansu's Lanzhou, Dingxi, and Pingliang. Accompanied by Li Xuezhi, secretary of the Ningxia Hui Autonomous Regional CPC Committee, Tian Jiyun inspected Guyuan, Xiji, and other counties on the loess plateau and made an on-the-spot investigation into the projects to plant trees and grass and to develop forestry and animal husbandry in these counties. He also visited peasant families to inquire about their production and living conditions, and talked with leading officials of Guyuan Prefecture and seven counties to discuss questions of transforming the loess plateau and helping the local people become well-off.

Tian Jiyun said happily: Great changes have taken place on the loess plateau in Ningxia in recent years. This situation is encouraging. Marked achievements have been scored in planting grass and trees. This can be seen by the emergence of many green belts on loess mountains that used to be barren. There has been a fairly rapid development of animal husbandry, and the breeding of big domestic animals has begun to thrive. As the crops are growing well, a bumper harvest this year looks very possible. He said: It is particularly gratifying to know that the readjustment of the grass-roots leading bodies has brought about a substantial change in the age and educational level of grass-roots leaders. These cadres have a good mental outlook and are enthusiastic. They have set targets of transformation and construction in areas under their responsibility and have worked out measures for fulfilling these targets. Such leading bodies can certainly lead the masses in conquering nature, in carrying out the grand projet to transform the loess plateau, in doing various kinds of work well, and in further improving the situation.

Tian Jiyun pointed out: The loess plateau accounts for a large proportion of China's territory and is inhabited by quite a large population. Poverty is extensive in this type of land as the natural conditions there are poor. Therefore, we are faced with a tremendously important task of leading the masses of people to transform the loess plateau and to help the local people become well-off. In recent years we have made some achievements in transforming the plateau, but we are still far from the goal of completely transforming it. Therefore, we still have heavy responsibilities to shoulder. He said: The principle of "planting grass and trees to develop animal husbandry and transforming the mountains and rivers to get rid of poverty," a principle proposed by Comrade Hu Yaobang, is the key to transforming the loess plateau and helping the local people become well-off. The principle has been proved correct in practice over the past few years and must be continuously and conscientiously implemented to achieve greater victories.

Tian Jiyun said: To implement the principle proposed by Comrade Hu Yaobang and to successfully carry out the work of transforming the loess plateau, we must handle the following relations well.

First, we should stick to the principle of doing things according to local conditions and handle the relations between the general and specific characteristics well. There are general characteristics in the counties on the loess plateau, but the conditions in each county are not always the same. Therefore, we must proceed from reality and do things according to local conditions. We should develop forestry and animal husbandry, plant grass, and grow grain crops where conditions permit, but should not follow a single pattern and neither should we copy the model set by other people.

Second, we should propoerly handle the relations between the immediate goals and the long-range goals of transforming the plateau. From a long-term point of view, some measures for transforming the plateau are important, but they should be implemented step-by-step and in integration with solutions to the masses' current production and livelihood problems and in integration with the immediate goal. In this way we can use our immediate goal to promote our long-range goal.

Third, we should properly handle the relations between work in selected areas and that of entire areas by promoting work in an entire area through drawing upon experience gained in the work at a selected area.

The purpose of drawing upon the experience gained from the work at a selected area is to popularize that experience in an entire area. Once experiments are successful, we should sum up experience and vigorously popularize it. In transforming the loess plateau, leaders at all levels should boldly and extensively popularize typical experience. Leaders should never be satisfied with minor achievements, but must aim at effective results by carrying out their plans step by step, systematically, and steadfastly; nor should they rush headlong into mass action for formality's sake.

Fourth, we should handle the relations between self-reliance and state assistance well. We should abandon the idea of asking for, waiting for, and relying on assistance from the state and organizations at higher levels. Aid from the state is necessary, but localities should stress self-reliance. History is written by man, and mountains and rivers are transformed by him. We should pool the wisdom and efforts of the masses in transforming mountains and rivers to eliminate poverty.

Tian Jiyun said: To completely transform the loess plateau is a long-term and arduous task which will benefit future generations. It cannot be finished in one or two generations. Nevertheless, the work of transforming the impoverished and backward plateau must begin with our generation. Starting with our generation, we must carry out the spirit of "the foolish old man who moved mountains" and perseveringly continue to transform the plateau from generation to generation.

Tian Jiyun made the following suggestions for transforming the loess plateau to eliminate proverty: 1) leadership at all levels must be determined to transform the loess plateau and must not waver and retreat in the face of difficulties; 2) leadership at all levels should work out a feasible plan in the light of local conditions; and 3) leadership at all levels should draw up efficient and effective measures. He summarized the measures as follows: First, qualified personnel. Qualified personnel are of first importance. Qualified personnel mean knowledge, technology, and strength that can be transformed into wealth. Abundant natural resources cannot be transformed into wealth if there are no competent personnel to exploit them. Therefore, areas on the loess plateau should bring in competent personnel and intellectual power through different channels. Second, processing. To transform natural resources into wealth, all localities should develop the processing industry by expanding rural enterprises. As its rural enterprises are still in the initial stage, Ningxia should strive to make a big stride forward. Of course, it should stress economic results and carefully consider what enterprises should be developed. Third, association. Efforts should be made to introduce investment from abroad and establish lateral ties at home, especially lateral cooperation with advanced areas and coastal regions of the country. This is of special importance to promoting Ningxia's economic development. Economic development will certainly quicken with lateral cooperation and the bringing in of competent personnel, technology, and information. Fourth, circulation. Products can become commodities only when there is smooth circulation. Links between agriculture and commerce, between industry and commerce, and within the commercial sector itself should be encouraged and supported in order to streamline channels of circulation.

SOVIET-BUILT PLANE USED FOR XIZANG PLA TRANSPORT

HK250249 Lhasa Xizang Regional Service in Mandarin 1130 GMT 24 May 86

[Text] According to XIZANG RIBAO, a Soviet-built TU-154 aircraft arrived in Lhasa on 23 May on its inaugural flight there. The aircraft was specially purchased from the Soviet Union by the Central Military Commission to solve the air transport difficulties of the PLA units in Xizang. The aircraft will make two flights from Beijing a week, stopping at Chengdu.

Leading comrades of the party, government, and Army in the region have attached great importance to this inaugural flight. Raidi, Doje Cering, Mao Rubai, Pagbalha Geleg Namgya, and other leading comrades went to Gongga Airport to greet the plane. They congratulated the aircrew and technicians together with the responsible comrades concerned who arrived on the aircraft, and also thanked the Central Military Commission for its concern for the PLA units in Xizang.

Mao Rubai, deputy secretary of the regional CPC committee, asked the aircraft captain (Zhang Jin), who is deputy chief of staff of the Air Force independent transport regiment and has more than 20 years' flying experience, about the characteristics of flying over the Xizang plateau and the capabilities of the aircraft. Mao Rubai said: This TU-154 flight has not only solved the air transport problem of the PLA units stationed in Xizang and improved air transport conditions; it is also sure to play a positive role in further developing aviation in Xizang.

Mao Rubai also introduced to the visitors the preparations and ideas for developing aviation within the region. He expressed the hope that this understanding would receive vigorous support from the departments concerned.

BEIJING GENETIC RESEARCH ON CANCER ADVANCES

OW270558 Beijing XINHUA in English 0539 GMT 27 May 86

[Text] Beijing, May 27 (XINHUA) -- A Chinese scientist has discovered a new inhibitor to the growth of cancer cells, providing a new clue for control of cancer, according to HEALTH NEWS.

Wu Kefu, researcher of the Institute of Hematology of the Chinese Academy of Medical Sciences, found that a cell eluent (solution and materials separated by washing) can inhibit the synthesis of DNA, which is vital for regeneration of cancerous cells, the paper reported.

In external experiments, the solution can also inhibit reproduction of lymphatic tumors, melanoma (tumor made up of melanin-pigmented cells), leukemia, breast cancer, kidney cancer, and squamous cell carcinoma (scaly superficial cancer).

Experiments show that a protein of the human fibrocyte is an inhibitor to the growth of cancerous cells. The protein differs from the identified interferons and tumor necrotizing factors, according to the paper.

ARREST OF COUNTERREVOLUTIONARY STUDENTS REPORTED

OW231011 Tokyo KYODO in English 1002 GMT 23 May 86

[Text] Beijing, May 23 KYODO -- Two Beijing University students have been arrested by public security authorities for conducting counterrevolutionary activities, school sources said Friday.

The sources said the students publicly criticized the Communist Party on the campus, but they refused to disclose the names of the students or more details about the activities in question.

According to other reliable sources, however, the students are enrolled in the History Department of the university and were preparing to establish a "China Youth Party" opposing the Communist Party. The students have also been publishing leaflets and other literature criticizing the Communist Party, high officials and the present Chinese Government.

The arrests came at a time when student activities at the university were subsiding after an anti-Japanese movement last year triggered by Prime Minister Yasuhiro Nakasone's official worship at the Tokyos Yasukuni Shrine dedicated to Japanese war dead, including World War II war criminals responsible for Japanese aggression against China.

NANJING UNIVERSITY DISCUSSES MA DING ARTICLE

OW240437 Nanjing Jiangsu Provincial Service in Mandarin 2000 GMT 23 May 86

[Text] According to a XINHUA RIBAO report, the months-long debate over an article by Ma Ding has been properly settled. Now young scholars and theoretical workers of Nanjing University are accelerating study of important issues in various fields and conducting academic discussions in a liberal and democratic spirit on the campus.

On 2 November GONGREN RIBAO published an article titled "Ten Major Changes in China's Current Study of Economics" by (Song Nongxiang), a young instructor at Nanjing University's Department of Philosophy. The article was published under the pseudonym Ma Ding. After its publication, the article aroused unexpected concern among the theoretical circles in Beijing and Shanghai and even the mass media abroad. While reprinting the article, some foreign newspapers and periodicals misinterpreted Ma Ding's original meaning and offered a few criticisms which, when reported back to China later, resulted in a castigation of the article as an ominous thing that should be weeded out. Thus, a debate was launched.

Implementing the principle of letting a hundred flowers bloom and a hundred schools of thought contend, the party committee of Nanjing University has done two things: First, it held a forum on the Ma Ding article and invited young scholars and theoretical workers to make fair assessments of the article. Second, the NANJING UNIVERSITY JOURNAL went all out to support and publish these commentaries on the Ma Ding article in the spirit of free academic discussions. Therefore, in spite of the controversy his article created, Ma Ding himself was not interrogated by the school.

The latest issue of the NANJING UNIVERSITY JOURNAL published on 20 May carried seven commentaries on the Ma Ding article in its Young Scholars' Forum. In an article titled "Strive to Train Influential Young Scholars With Good Quality and Special Characteristics" published in the NANJING UNIVERSITY JOURNAL, vice president (Yu Shaoyi) said: As we are living in a great era of transformation, we must bravely explore new things in order to understand our era from different angles. The Ma Ding article has set a gratifying example in this respect. We must advance continuously. A learned scholar should not be a promulgator of ultimate truth, but should make the pursuit of truth a life-long endeavor. This is a plain truth that we must always bear in mind.

This article is another affirmation and encouragement of the Ma Ding article's exploratory spirit.

WAN LI ENCOURAGES FORERUNNERS OF REFORM WORK

HK221041 Beijing GUANGMING RIBAO in Chinese 14 May 86 p 1

[Article by Wan Li: "Be a Forerunner of Reform" -- this article is originally a preface written by Wan Li to the book "Forerunners of Reform During a Period of Development by Leaps and Bounds," originally carried in issue No 5 of BOLAN QUNSHU to be published soon]

[Text] This is a book about people who are all forerunners of reform. I am familiar with some of their names and deeds. I have also read some articles on their deeds published in newspapers and periodicals. Although they are only a small part of the people who stand in the forefront of reform, their spirit and achievements reflect the demands of our times. They are truly representative. Therefore, it is of significance to publish such a book.

Today we are living in a great era. The new technological revolution, which is spreading on a global scale, is a new challenge to us. It will also provide us with new opportunities. Socialist construction carried out in our country over the past 35 years has enabled us to accumulate powerful strength beneficial to the development of our country's economy, science, technology, education, and culture. In addition, we have achieved both positive and negative experiences. The correct line and the series of guiding principles and policies concerned adopted by the 3d Plenary Session of the 11th CPC Central Committee have been tested in practice and have increasingly demonstrated their vitality. The 3d Plenary Session of the 12th CPC Central Committee greatly promoted the progress of urban and rural reform throughout the country. The enthusiasm, initiative, and pioneering spirit of the Chinese people for building their own new life are running unprecedentedly high. Reform is progressing rapidly all over China. All this has made us firmly believe that after exerting strenuous efforts over a period of time, unprecedentedly great changes will take place in our country. A socialist power with a high level of both materal and spiritual civilizations and democracy will rise in the world. This is a firm belief of the people throughout the country, and it has been admitted by more and more men of insight in the world (including those who oppose us).

The great era is calling heroes and heroines who are worthy of their names. It has also provided a vast arena for sons and daughters of China who are determined to contribute to the prosperity of the country. In the process of reform, many people who were unknown in the past have become pathbreakers of reform. They help publicize reform and the valuable spirit of the forerunners of reform so that more and more people advance together with them. This is a duty of our party and a glorious task of press and publication institutions.

Reform is never smooth sailing and will encounter various kinds of obstacles. Some defects and mistakes will inevitably occur in reform. Therefore, in the process of reform we should constantly learn more about the new situation, sum up new experiences, and solve new problems. There is no need for us to feel surprised at defects or mistakes occurring in reforms. We should seriously find out where the real problems lie and correct our mistakes and defects well. It is not a Marxist attitude to not allow mistakes to occur in reform or wilfully accuse those who are responsible once problems have happened. What we demand is that we should do our best to make as few mistakes as possible, and avoid making gross mistakes. Once we commit mistakes, we should correct them immediately.

Some people only want to become officials in "times of peace." They are unwilling to carry out reform or do not dare to do so. They stick to conventions, attempt nothing, and accomplish nothing. Such an attitude cannot be tolerated by the party and the people. There is no way out if we fail to carry out reform.

The figures and deeds described by the book might not be perfect, and they will continue to be tested by history. However, their spirit of daring to carry out reform and their efficiency in doing so will encourage people and are worth learning from. I hope that people who are determined to carry out reform will always remember the basic objectives of our reform, that is, we will give full play to the wisdom, initiative, and creative power of the broad masses of people, further liberate the productive forces, speed up the building of material and spiritual civilizations, and make our country strong and powerful and our people rich. As long as we do not deviate from these basic objectives, it will not be difficult for us to correct those transient mistakes or defects. It was a great undertaking to build a new China. It is also a great cause to build China into a socialist power with Chinese characteristics. To successfully accomplish our great cause, we needs tens of thousands, hundreds of thousands, or even millions of forerunners who will devote themselves to reform. I hope that there will be more people who are willing to join the ranks of such forerunners.

LU DINGYI ON FORMULATION OF 'DOUBLE-HUNDRED POLICY'

HK230419 Beijing GUANGMING RIBAO in Chinese 7 May 86 p 1

[Article by Lu Dingyi, written in the hospital on 19 April 1986: "Historical Review of 'A Hundred Flowers Blooming and a Hundred Schools of Thought Contending' -- in commemoration of the 30th Anniversary of the 'Double-Hundred Policy'"]

[Excerpts] Fully 30 years ago have elapsed since the party set forth the policy of "letting a hundred flowers blossom and a hundred schools of thought contend" for promoting the progress of the arts and sciences in 1956. Some comrades asked me to comment on the background of the policy. In this article I would like to say something about the historical facts behind the origin and development of formulating the policy.

(I)

The policy of "letting a hundred flowers blossom" and the policy of "letting a hundred schools of though contend" were not put forward at the same time. In 1950 a controversy on the question of the Beijing Opera arose among some people. A group said that we had to inherit the Beijing Opera totally and uncritically. This means that we should inherit it even with its dross. The other group argued that we had to reject it completely because it came from a feudal society. At that time Comrade Mao Zedong wrote a few words of encouragement to theatrical circles, reading "let a hundred flowers blossom, weed through the old and bring forth the new." He also pointed out: We still need Beijing Opera, but we must inherit it and other traditional operas by rejecting the dross and assimilating the essence.

As a matter of fact, the problem was already resolved as early as in the years of Yanan. The old Beijing Opera such as "Catching and Releasing Caocao," "Lianshengdian," "Story of Prostitute Susan," and the recomposed opera "Three Attacks on Zhujia Village" were all put on a show in Yanan.

However, after we came into Beijing, the argument waxed hot again, but the inscription "let a hundred flowers blossom, weed through the old and bring forth the new" written by Comrade Mao Zedong simmered down.

The policy of "letting a hundred flowers blossom" only helped solve the problem of different forms of traditional operas existing side by side, but it did not and could not solve other problems in scientific and academic circles, for example, the problem of how to deal with contention among different schools in science.

(II)

The completion of the "socialist transformation of agriculture, handicrafts and capitalist industry and commerce" in our country indicated the annihilation of capitalist ownership by peaceful means (the peaceful redemption of the bourgeoisis), thus turning our country into a socialist country. The transformation waa regarded as a peaceful revolution. Its success was proof that under given and proper conditions (in China, such conditions refer to the apparent completion by the working class of the democratic revolution led by the CPC, which shoulders the primary tasks of opposing imperialism and carrying out the agrarian revolution; the complete annihilation of the counterrevolutionary army on the mainland by the revolutionary army, and a firm grip on the state apparatus by the working class), the socialist revolution could be achieved without using violence but by peaceful means. It is my belief that this is an epoching-making event in the world and it will be of far-reaching significance to the whole world.

In order to administer our country and make it prosperous and strong, the problem of how to carry out scientific work was also put high on the agendas of the CPC Central Committee.

(III)

In April 1957 the party Central Committee decided to start a rectification campaign throughout the party to oppose bureaucracy, factionalism and subjectivism. However, a handful of rightists seized the opportunity to mount an attack against the party and the nascent socialist system in an attempt to replace the leadership of the Communist Party with the practice of "ruling in turn." Under the pretext of "letting a hundred flowers blossom and a hundred schools of thought contend," they advocated what they called "speaking out and airing views in a big way" to prepare public opinion. This was a slogan chanted by a handful of rightists in order to unleash a political struggle against the CPC.

Taken literally, we may see that there is no difference between "speaking out and airing views in a big way" and "letting a hundred flowers blossom and a hundred schools of thought contend," but they are different in nature. "Letting a hundred flowers blossom and a hundred schools of thought contend" is a policy adopted by the party to give guidance to work in science and literature and art, and is not a policy for political struggle. In a socialist country, political issues can only be settled by democratic centralism and the legal system, not by the practice of "speaking out and airing views in a big way." However, we must promote "free contention" of different views among different schools in science and literature and art.

The slogan "speaking out freely and airing views fully" was not coined by the CPC. But Comrade Mao Zedong took over the slogan and added it to "holding great debates and writing big-character posters" as a means of struggle to counterattack rightists. Finally, rightists, who were very small in number, were defeated in this political struggle. Nevertheless, the scope of the struggle was made far too broad and a number of intellectuals were unjustifiably labelled "rightists," with unfortunate consequences. Thanks to the 3d Plenary Session of the 11th CPC Central Committee, since then most of the "rightists" who were unjustifiably treated" have had their label removed.

During the "Cultural Revolution," the slogan "speaking out freely, airing views fully, holding great debate, and writing big-character posters" was used by "rebellious organizations" as a means to persecute veteran cadres, intellectuals and the masses of the people, and later it was even affirmed as a provision in the state constitution. But it has been deleted from the current Constitution. This is quite right.

The practice of "speaking out freely, airing views fully, holding great debates and writing big-character posters" should by no means be adopted in the future. However, we must adhere to the principle of "letting a hundred flowers blossom and a hundred schools of thought contend."

(IV)

After the struggle against rightists, the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" was not given up in form, but it was no longer applied in deed. Comrade Mao Zedong advocated "letting a hundred schools of thought contend." Actually only two schools of thought -- the bourgeoisie and the proletariat -- could contend with each other. This is absolutely not applicable to departments in charge of work in science and literature and art. If we act accordingly, there will be no free contention in these departments and "political labels" will be used at will. In assessing different schools of thought in science and literature and art, if we arbitrarily impose political labels upon them and if we simply classify them into two categories -- the bourgeoisie and the proletariat, then this is not a scientific attitude and it is impossible to "let a hundred schools of thought contend."

The "gang of four" allowed only eight "model theatrical works" to put on a show in different theatrical forms, and alleged that "Jiang Qing alone had the final say on all contention of different schools of thought." Jiang Qing was ignorant and incompetent, but it was really sad that the "gang of four" lauded her to the skies as a pope. Although the "gang of four" was so savage, cruel and furious, they dared not straightforwardly negate the policy of "letting a hundred flowers blossom and a hundred schools of thought contend."

(V)

"Letting a hundred flowers blossom and a hundred schools of thought contend" is a good policy. Applying it in earnest will benefit our country a great deal; if not we will suffer a lot. This can be proved by the fact that China has become an oil-rich country from an "oil-poor country" only because we adopted suggestions put forth by geologist Li Siguag; but we have suffered a lot because we turned a deaf ear to Ma Yinchu's views on population.

This is all I have to say. I hope it will be filed as historical facts to teach our future generations.

RENMIN RIBAO URGES EXPLORATION IN LITERATURE, ART

HK220913 Beijing RENMIN RIBAO in Chinese 19 May 86 p 7

[Commentator's article: "Create a Favorable Environment an Atmosphere -- A Second Talk on Exploring and Blazing New Trails in Literature and Art"]

[Text] To devlop and enrich China's socialist literature and art in the new period, it is necessary to encourage exploring and blazing new trials in literature and art. In terms of understanding, most of our comrades do not disagree with this. However, to heathily and smoothly develop the trend of exploring and blazing new trails, it is necessary to create an excellent environment and atmosphere and to seriously study and guide it. This is an important condition and guarantee.

On the whole, an excellent environment and atmosphere for promoting prosperity in literature and art has emerged since the 3d Plenary Session of the 11th CPC Central Committee. Under the correct leadership of the CPC Central Committee, we have criticized the "leftist" ideas, stopped the practice of "exaggerating others' mistakes without restraint," reiterated the "three no's" policy, and practiced creative freedom, thus greatly emancipating the productive forces in literature and art. The prosperous scene in literature and art as well as the animated situation in the academic field have arisen under just such circumstances. Many comrades in literature and art circles put it well: "Without the line and policies drawn up by the third plenary session, prosperity in literature and art in the new period would not have been possible."

However, we should soberly understand that some localitites, departments, and units have not created an environment and atmosphere for exploring and blazing new trails in literature and art. For example, some leading comrades are accustomed to measuring new things by old conventions. They lack a sensitive response to and tolerant attitude toward new explorations and experiments in literature and art. Due to past and present reasons and to the different styles, schools, and "factions," comrades in literature and art circles themselves lack mutual understanding and support. Rivalry and flattery can occasionally be noticed in literature and art comments. Literature and art comments are far from being perfect and an excellent study style has not been formed. All of this is hampering the smooth progress of exploring and blazing new trails. We should make greater efforts to change this situation and to create an excellent environment and relaxed atomosphere in which literature and art workers understand each other, care for each other, talk with each other, and promote each other, so as to raise the work of exploring and blazing new trails in literature and art to a new height.

To create an excellent environment and atmosphere, leaders should conscientiously improve their leadership over literature and art work. In a congratulatory message to the fourth national congress on literature and arts, Comrade Deng Xiaoping said: Party committees at all levels should exercise good leadership over literature and art work and, "according to the characteristics and devlopment law of literature and art, help literature and art workers obtain the necessary conditions for enriching literature and art creations and improving literature and art standards." Apart from implementing the party's literature and art line, principles, and policies, leaders of literature and art departments should do a good job in the rear service" and in providing the necessary conditions for literature and art workers.

It is necessary to encourage and support those who have made achievments in exploring and blazing new trails in literature and art and to enthusiastically help and guide those who have made mistakes. During the 10 years of turmoil, the rude method of mass criticism was applied to settle problems arising in literature and art, which included stirring up public opinion, seizing on typical cases, and drawing hasty conclusions. Facts have proved that this method is harmful to the process of differentiating between right and wrong in literature and art creation and theoretical research. Instead of being beneficial to creating an excellent environment, the method of molding public opinion will only create a tense atmosphere. With regard to literary, art, and academic problems, we should discuss them, with the participants in the discussion being equal; no one is allowed to adopt an overbearing attitude. As to the problem of right and wrong arising in the course of explorations, it is not wise to draw conclusions too early, still less is it good to base ourselves on what one leader says when passing judgment. Instead, we should conscientiously implement the
double hundred" policy, carry forward democracy in literature and art, hold repeated discussions, and carry out repeated experiments so that we can differentiate between right and wrong and gradually understand truth through long-term practice.

In creating an excellent environment and atmosphere, it is necessary to rely on the efforts of literature and art workers themselves. We should encourage comradely and friendly discussions mutual study, mutual consultations, and mutual understanding in the literature and art ranks, between literature and art workers of different categories and schools, between literature and art creators and critics, and between writers and readers. It is necessary to strengthen their unity to reduce internal consumption, and to concentrate their wisdom and efforts on literature and art creation and theoretical research. As to differences of opinion concerning problems in literature and art, it is necessary to solve them through reasoning; on no account should our comrades blame each other in disregard of objective reality, exaggerate others' mistakes to an unlimited degree, and attack others' one single fault without considering their other aspects. Criticism and countercriticism should be allowed between our comrades but must be based on facts. We should be bold in upholding truth and correcting mistakes. With such boldness, an excellent environment and atmosphere in which literature and art workers can explore and blaze new trails will gradually arise in literature and art circles.

Shen Dequian, a poet of the Qing dynasty, said: "Only with a first-rate mind and first-rate knowledge, can a first-rate poem be written. There is no footing in space, but there is much inspiration in the sea of stars. An on a fertile land, things spring up after a spring rain." This suggests that for writers and artists, an excellent environment is necessary apart from just realizing good literature and art accomplishments. With an excellent environent and atomosphere in the new period of the four modernizations, our literature and art creation will present an inspiring picture and thrive like things springing up after a spring rain."

WENZHAI BAO ON LITERATURE ABOUT INTELLECTUALS

HK260849 Beijing WENZHAI BAO in Chinese No 312, 15 May 86 p 5

[Report: "An Unavoidable Reflection"]

[Text] Reviewing several recently written novels about intellectuals (such as "Man In His Middle Age," "The Spiritual and the Sensual," and "The Trees Planted to Green,") in an article published in ZHONGGUO, No 4, Liu Xiaobo observes that in contemporary Chinese literature, conscientious and earnest self-examination, which is so characteristic of the image of the intellectuals in "4 May" literature, is rarely a quality of the Chinese, the Chinese intellectuals in particular, in contemporary Chinese literature. Essentially, the characters in contemporary Chinese literature are based on the Da Yu model or the Qu Yuan and their creators dress them up by portraying them as personified gods. As a corollary, the relations between intellectuals and the masses are idealized to an extreme degree. In these works, it is always those who take an extreme leftist line that do not understand the protagonists. However, the community as a whole understands them. Outwardly, these works have the form of tragedies. Essentially, they are works on the bright, positive side of things [zheng ju 2973 0489].

In Chinese history, the traditional cultural lineage was broken only once, by the "4 May" Cultural Movement. The awakened person by "4 May" literature is a rebel against tradition and one who seeks the emancipation of one's self. The awakening of intellectuals is reflected in their harsh self-analysis and in their ruthless criticism of their fellow countrymen's deep-rooted bad habits. The two categories of people (the awakened and the not awakened) in these works, who do not even slightly remind one of personified gods, and the ultimate conflict in them (the absolute, inevitable antagonism between the awakened and society) combine to give each of these works a truly tragic flavor.

An important indicator of self-awareness in "4 May" literature is that it is freed from the influence of the idea of personified gods. There is some deep-rooted intrinsic relationship between the frequent use of stereotypes and generalities in classical and contemporary Chinese literature and the influence of the idea of personified gods. "Harmony" is the loftiest ideal of classical Chinese culture. During the "Cultural Revolution," the handful of advocates of an extreme leftist line took advantage of the masses' prejudice against knowledge and the traditional version of absolute egalitarianism deeply imprinted on their minds to make them ask for absolute political and material equality as well as absolute intellectual, education, and spiritual equality. Thus, in criticizing the extreme leftist line, it is necessary to penetrate our minds and negate something deeply buried there -- that is, to analyze and critically examine the feudal ideas lurking at the bottom of the national character, that is, the deep-rooted bad national habits, on the basis of the earnest self-examination by the whole nation and its intellectuals. It is impossible for the human race to be unaware of its crises or for it to never experience disillusionment. It is equally impossible for it to have no self-confidence or for it to never experience success. If, having experienced the 10-year catastrophe, a nation is still unaware of the crisis in reality but still has illusions about its tradition, it would be difficult for this nation to join the world.

OFFICIAL STRESSES BUILDING OF NUCLEAR INDUSTRY

HK231225 Beijing XINHUA Hong Kong Service in Chinese 0633 GMT 22 May 86

[Text] Hong Kong, 22 May (XINHUA) -- The Soviet Union's Chernobyl accident in the Ukraine will not affect China's determination to develop the nuclear power industry. This was what Zhou Ping, deputy head of the PRC State Council's Nuclear Power Leading Group and vice minister of the nuclear industry, told a LIAOWANG reporter, according to a report in Issue No 21 of LIAOWANG OVERSEAS EDITION to be published soon.

The 45-year-old Zhou Ping is an expert in nuclear reactor projects and is one of the chief responsible people in the country's nuclear power industry. After the completion of his study abroad, he returned to China in 1958. Since then he has been engaged in physical calculations and experimentation regarding nuclear reactors, as well as the design, regulation, and operation of reactors. He is a senior engineer and specialist of PRC Ministry of Nuclear Industry, vice chairman of the PRC Nuclear Academic Society Council, and council member of an international atomic energy body.

According to Zhou Ping, nuclear power is a new type of energy resource. It has already developed into an important resource of energy despite its short history of just over 3 decades. According to the statistics of one international atomic energy group, the total generated energy volume of nuclear power plants in 26 countries including the United States, France, the Soviet Union, Japan, the FRG, the United Kingdom, Canada, and Sweden accounted for 15 percent of the total world volume of generated energy at the end of 1985. It is estimated that by the year 2000, the volume of generated nuclear power energy will account for 40 percent of the total world.volume of generated energy.

The insufficient energy supply in China has affected the national economic development, therefore the development of the nuclear power industry is a must. Such regions as east China, south China, and the northeast, where there is a great shortage of energy resources, especially need to develop nuclear power stations. Therefore, China's nuclear power industry, which is still in its initial stage, must be resolutely developed step by step with some focal points. This is China's set principle, which will not change just because of the Soviet Union's Chernobyl accident. By the year 2000, China's nuclear power industry will certainly have made great progress. Before making the important strategic decision on developing the nuclear power industry, China made overall and detailed investigations and studies as well as analyses and comparisons of all types of nuclear reactors abroad. The final decision was to adopt the pressurized water reactor, which is technically mature and has better safety quality. Moreover, from the very beginning China has persisted in cooperating with those countries possessing advanced technology and in fully absorbing mature foreign experiences to ensure quality and safety.

Zhou Ping stresses: "The basic purpose of China's peaceful use of atomic energy lies in benefiting the people, with public safety above all else. In order to strengthen the safety controls of nuclear power stations, China founded the State Nuclear Safety Bureau at the initial stage of preparations for the building of nuclear power stations.

It coordinated with the State Environmental Protection Bureau and the Ministry of Nuclear Industry in jointly drawing up, completing, and perfecting laws and regulations on nuclear power safety, in strengthening the safety examinations of the design of nuclear power projects, and in conducting the most strict supervision and examination of the building of nuclear power stations based on the laws and regulations, in order to ensure that every link and work procedure of design, building, installation, regulation, start-up and operations would conform to the requirements of the laws and regulations and quality control. This was also done to ensure building good quality nd safe nuclear power stations.

Vice Minister Zhou Ping is concurrently on the board of directors of the Guangdong Nuclear Power Development Company, Limited and a board member of the Daya Bay Nuclear Power Station Joint Corporation. He told the reporter that to those who do not understand nuclear power technology well, it is natural that the would have anxiety and worry. This is entirely understandable. It is the same for those who do not know the laws governing swimming and do not master the skill of swimming; they are always afraid that they will drown upon getting into the water. The practice over the past 3 decades and more has proved that mankind has entirely mastered the law and technology of generating nuclear power. People should not be overanxious about this.

According to Zhou Ping, Guangdong's Daya Bay nuclear power station does not follow the safety standards of Three Mile Island power plant. It will follow far higher safety standards than the latter. The Daya Bay nuclear power station is to adopt France's newly developed "Vangard-type" safety valve, which has solved the problems of aging or ineffectiveness of the spring in the old-type safety valve adopted by the Three Mile Island power plant. Moreover, all-round cooperation with France will be implemented in building the entire Daya Bay nuclear power station, with all its major equipment made in France. Today, France's nuclear power volume accounts for 64.8 percent of the country's total volume of generated energy. At present, 44 nuclear stations are in operation in France, with another 17 under construction, most of which are the pressurized-water type reactors, and which are located very close to inhabited areas.

Zhou Ping says that China takes France's safety standards as the minimum standards in building the Daya Bay nuclear power station. It has adopted a design which is the safest to date, which has three enclosed shields including a zirconium enclosure for nuclear fuel parts, a pressurized container, and a safety enclosure to ensure no radioactive leak going into the atmosphere in case of an accident. In case the water injection system in operation is out of order, another system wil promptly and automatically inject water to prevent a meltdown if the supply of water is impeded. In case of a burst pipe, another water spraying system will go into action immediately to cool down the high-temperature steam spurting out from the pipe burst in order to prevent further damage to other parts of the installation. As for the equipment for power supply, the station has adopted the principle of designing several stand-by systems. In case of an accident, the equipment will stop automatically and another system will automatically start to operate, so as to ensure enough power supply to recover. A set of strict regulations has been stipulated concerning the personnel of the nuclear power station

On the basis of strict selection of these personnel, the relevant state departments will send them to France for rigorous training, so that they may become skillful in operations and have the ability to handle an emergency. Then they will go through a strict national examination certifying them before they are allowed to work at the nuclear power station. Therefore, both Guangdong's Daya Bay nuclear power station and the Zhejiang Qinshan nuclear power station are built on a scientific basis and in entire conformity with the safety standards stipulated by the international Atomic Energy Commission. The problem of "being venturesome" does not exist.

BAN YUE TAN INTERVIEWS FOREIGN TRADE MINISTER

OW221104 Beijing XINHUA in English 1053 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- China will "actively and steadily" reform its foreign trade to increase exports that generate foreign exchange.

"This is our main task for this year as well as years to come," said Zheng Tuobin, minister of foreign economic relations and trade, in an interview with the FORTNIGHTLY CHAT magazine to be published on May 25.

Although Zheng said China enjoyed an overall foreign trade surplus of 800 million U.S. dollars over the past five years, imports exceeded exports in 1984 and 1985. In his report on China's Seventh Five-Year Plan (1986-1990) at the National People's Congress earlier this year, Premier Zhao Ziyang said China's shortage of foreign exchange -- needed to import advanced technology -- "will remain a prominent economic problem for a long time to come." Earning more foreign exchange by increasing exports is the key to expanding commercial and technological exchanges with foreign countries, he said.

Zheng did not specify the reforms he anticipated. But in his report Zhao mentioned such possibilities as changing exchange rates, customs duties, taxes and export credits. Such measures, he said, could be supplemented by administrative moves, such as improving the import and export licensing and quota systems. The premier also said that initial reform in the structure of Chinese foreign trade since 1981 "fell far short of the needs for increased foreign economic and trade exchanges."

According to the new five-year plan, China's imports and exports will total 83 billion U.S. dollars by 1990, a 40 percent increase over 1985, with an average annual growth rate of seven percent. Exports in 1990 will increase 47.3 percent over 1985. To accomplish this, Zheng said, the government will provide more incentives to enterprises manufacturing export commodities. Currently, many enterprises find they can sell products more profitably on the domestic market than abroad.

Design, manufacturing, processing, packing and delivery of exports must be responsive to changing international markets, he said, and efforts of advanced technology and key equipment, Zheng said.

"Strict budgeting is our principle in spending foreign exchange," he said. "We will avoid buying blind and duplicating imports."

RENMIN RIBAO ON THEORY OF SOCIALIST CONSTRUCTION

HK150921 Beijing RENMIN RIBAO in Chinese 5 May 86 p 5

[Article by Wu Jiang: "On the Historical Stages of Socialist Construction"]

[Text] "The era of debating about socialism according to books has passed, and I believe that it has passed for ever. Today we can only discuss socialism according to experience." -- Lenin

Socialism in Practice

In 1891, a young German writer, who believed in Marxism, wrote a letter to Engels, telling Engels his writing plan. He said that he was going to write articles about the transition to communist society, and he asked for Engels' opinion on this plan. Engels replied: This writing plan should be considered seriously, "however, I advise you to put it aside for at least 9 years before you begin to write, because this is the hardest question of all at present." ("The Complete Works of Marx and Engels," Vol 38, p 123) Here, Engels meant that is was impossible to solve the practical issue of transition to communist society in the 19th century, and some solutions could be found in practice only in 20th century.

Engels drew this conclusion from the twists and turns in the previous 50 years. Marx and Engels laid the foundation for their doctrine -- scientific socialism -- in the mid-19th century, and that was the greatest achievement of their lives. In order to turn socialism into a science, it is necessary to first base it on realities. Marx and Engels could only imagine the socialist framework and draw concrete pictures about socialism in light of the conclusions they drew from historical facts and the historical conditions, so they could only outline some rough inferences and concepts about socialism. In 1886, Engels solemnly declared in a letter to his friend that as far as socialist transformation is concerned, "I have never put forth any program which can finally fulfill this task in my party. Our opinion on the characteristics of future non-capitalist society which is different from modern society is a definite conclusion that we drew from historical facts and development procedures. There will be no theoretical and practical value if these facts and procedures are ignored." ("The Complete Works of Marx and Engels," Vol 36, p 419-420)

In about 1849 or 1850, Marx said: "It will perhaps take a few years" to realize communism, and the victory will be won at the same time in all major capitalist countries. However, socialism had not left its trace in any part of the world by the end of the 19th century. In those places which were regarded as the weakest points of the capitalist world, the socialist movement quieted down.

However, Engels' hopes were not disappointed. As he expected, the 20th century indeed marked the beginning of mankind's transition toward socialist society (we should not forget that the 20th century also marks the rapid and remarkable development of science and technology. These two events together have great influence on the development of human history).

In the early years of the 20th century, socialism appeared in the world, and Marxism-Leninism became the banner of the times. This is an undeniable historical fact. Most of the 20th century also proved the correctness of Lenin's opinion on the unevenness of the development of capitalism in the era of imperialism and his conclusion about the development tendency of the socialist revolution. Lenin's theory was in line with the ordering of social phenomena in the first half of the 20th century.

The characteristic of socialism in the 20th century is that socialism is developed in some economically backward or less-developed countries, and a group of economically less-developed socialist countries appeared in the world. Lenin said in 1918 after the October Revolution: "If we take the socialist road, we will eventually reach this objective .... however, we still cannot tell the characteristics of socialism and do not know what socialism will look like in the future and when it will become perfect. -- We still do not know all this and cannot say anything about this." (Collected Works of Lenin," Vol 27, p 134)

We may say that in those days, Lenin's thought about the features of socialism did not go beyond the picture outlined by Marx and his work "Critique of the Gotha Program." Lenin's first plan was to directly guide his country into the elementary stage of communism over a number of decades by proceeding from Russia's then economic level, but practice soon proved that this plan was unrealistic. Lenin said: "Real life has shown that we are wrong," and "we cannot but admit that we have completely changed our thought about socialism." ("Collected Works of Lenin," Vol 4, pp 571, 687)

However, the complete change in Lenin's approach to socialism was just on the issue of socialist transition, and Lenin's new thought was reflected in the new economic policy. This did not show that Lenin made any fundamental revision of Marx's description of the features of socialist society. According to Marxism, public ownership and distribution according to work are the definite features of a socialist economic form; and Lenin had the idea of dividing the development stages of socialism according to experience. However, limited by the conditions at the time, Lenin did not and could not leave any clear instructions on what socialism should look like and what the perfect form of socialism is.

In 1936, Stalin announced that the Soviet Union had basicaly realized socialism. The major signs for this were that the bourgeoisie as a class had been eliminated, the socialist transformation of the ownership of the means of production had been completed with socialist public ownership replacing private ownership, and the system of distribution according to work had been put into practice.

In theory and in principle, it seems irrefutable to take these things as the hallmarks of socialism because, since the socialist economic system has won the dominant position in a society, that society should be regarded as a socialist society, just as a society in which the capitalist economic system holds a dominant position should be regarded as a capitalist society no matter how high a level its economy has reached.

China announced in 1956 that she had basically established the socialist economic system and thus had turned herself into a socialist society. China's announcement was also made according to the above standards.

Such a socialist society only meets the requirement of changing the production relations including the ownership and distribution systems, and does not have a standard in the field of productive forces. It is comparatively easier to meet the requirement of changing the ownership form, it is just a matter of several years. However, does the gaining of the name socialist society mean that a perfect socialist society has been established and that socialism has completely succeeded? We may reach this conclusion from our experience: an appropriate distinction should be drawn according to concrete historical conditions. The establishment of a dominant socialist economic system may be taken as a criterion of the realization of socialism; but many years' efforts are still needed in order to build an economically highly developed socialist society on the basis of the socialist economic system and to raise the social productive forces to a high level.

In fact, this issue was raised in 1956 when we had just entered socialism. In January 1957, at a forum on the issue of intellectuals, Comrade Mao Zedong said: "We have just entered socialism, but we have not finished building socialism." On another occasion the same year, he said: "Our socialist system has only just been set up; it is not yet fully established or fully consolidated." ("Selected Works of Mao Zedong," Vol 5, p 374) He added: "It is hard to say how long the transition period will last." (ibid., p 482) Shortly before that, Mao Zedong also said: "To build a strong, highly industrialized socialist country will require several decades of hard work, say, 50 years, or the entire second half of the present century." (ibid., p 139)

We may say that in the mid-1950's, Comrade Mao Zedong was still rather sober-minded. His opinion then was rather realistic. In fact, he pointed out that socialism in our country was still imperfect and had yet to be consolidated and that such socialism might be called an elementary form of socialism. This opinion is undoubtedly correct. However, the deification of the new production relations in the following years put some unrealistic thoughts in his mind about the speed of developing productive forces.

The actual conditions for the establishment of socialism naturally require a transition period from capitalism (in our country, from new democracy) to socialism. How much time it will take to accomplish the transition from capitalism to a perfect form of socialism is still an unsettled question for us. According to our experience, the transition period can be generally divided into two stages in our country.

In the first stage, the proletariat grasps political power and begins the transition process toward socialism. The task in this stage is to conduct socialist transformation among the capitalist economic elements and the individual small production elements so as to shift the national economy as a whole to the socialist path. Experience shows that it is not easy to accomplish the socialist transformation of all economic sectors. The whole process of transformation requires continuous explorations in line with the national conditions and needs sufficient time. We must not be overanxious to rush into socialism and to gain the title of a socialist society.

In the second stage, after entering socialism, our task is to concentrate all efforts on developing social productive forces. This is the main way to develop an elementary and less developed form of socialism into a perfect, well-consolidated, and economically developed form of socialism. Apart from meeting the requirements in the field of production relations, this perfect form of socialism must have highly developed social productive forces, productivity higher than the average in capitalism, and high level of public ownership, high standards of material and cultural lives, a high degree of democracy in political life, more leisure time for the people (that is, shortened working hours), more opportunities for the people to receive comprehensive education and give full play to their own talents and capabilities. To achieve this objective, it will take rather a long time to build socialism after a country becomes a socialist society. In this process, in order to tightly grasp the key link of developing social productive forces, the socialist public economy which holds a dominant and leading position must have courage and insight to employ all possible means which can enhance labor productivity, especially to employ all achievements in modern science and technology, to realize economic modernization.

Fully Realize Protracted Nature of the Stage of Socialist Construction

Most mistakes so far committed by people on the issue of transition are due to the fact that they do not realize or do not acknowledge the second stage in the development of socialist society and they try to overstep this special stage.

Indeed, Marx and Engels did not use the term "socialist construction" in their works and did not mention that there should be a special stage of socialist construction. Lenin began the use of the new term "construction under the socialist system," but he did not realize that this would be a protracted historical period. Although people gradually realized the existence of this stage through practice afterward, they still did not fully realize the protracted and arduous nature of this stage, and still erroneously thought that the establishment of the socialist economic system should represent the beginning of the transition period into communism.

The Soviet Union announced the realization of socialism in 1936, then it announced in 1938, when the Third 5-Year Plan began, that it "will accomplish the proletariat's socialist construction and start the transition from socialism to communism in the next 5 years." In 1952, the Soviets announced that "the task of building socialism in the Soviet Union has been fulfilled" and that the country "has begun a transition from socialism to communism." In 1961, they said that the Soviet Union had entered a period of "conducting communist construction in an all-round way." A few years ago, the Soviets claimed that their country had built up developed socialism, but they changed this proposition in recent years and said they still have to develop, consolidate, and improve socialism in their country and so on.

In the 1950's, a trend to rush into communism appeared in the world. There were all sorts of movements and slogans to arouse people's "communist" enthusiasm.

In China, the experiment of transition to communism began in 1958. The first slogan was to "break" the bourgeois rights and "establish" the communist work attitude of giving no thought to pay. In another word, people were encouraged to "break" the principle of distribution according to work and "establish" a principle of egalitarianism. Then, some people began to criticize the "consolidation" of socialism. They held that socialism should not be "consolidated" because the "consolidation of socialism" would block the advance of society toward communism. At the same time, the definition of the "transition period" was also changed. It was not a "transition from capitalism to socialism" but a "transition from capitalism to communism." This change did not create any new theory, because in theory, Marx' communist society includes a socialist stage. But under the conditions in the 1950's, the change implied that the stage of socialist construction did not exist or was merely a transient period, as the socialist system would quickly be replaced by the communist system.

What was the result? As everyone has seen, such "leftist" movements in fact seriously hindered socialist construction and retarded social progress.

We paid a heavy price before we returned to the path of socialist construction. The 3d Plenary Session of the 11th CPC Central Committee decided that we would concentrate on building socialism with Chinese characteristics and developing our social productive forces in the next few decades. When we returned to the path of socialist construction, we immediately found that the socialist economic system which we established in the first stage was not in line with our national conditions because that was the result of copying other people's model under some special historical conditions. As a result, a considerable part of this system cannot meet the needs in the development of social productive forces or has become an obstacle to the development of the productive forces. Therefore, we are now facing a reform task. At present, reform must be put in the primary position. Without reform, we will not be able to advance our socialist construction.

The purpose of reform is to gradually overcome the things in our socialist economic system which have hindered the development of productive forces under the premise of adhering to socialist principles. Such things must be overcome no matter how they were formed in history and what role they are playing at present. By building socialism with Chinese characteristics, we mean that the socialist economic system in China must be conducive to the development of social productive forces under China's conditions.

It is never easy to take a firm stand in the historical stage of socialist construction, just as it was not easy to stand firm during the democratic revolution in the 1930's to resist the influence of "leftist" adventurism. The things which were propagated feverishly for so many years will not vanish from people's minds in a short time. We must draw a lesson from the history of the "leftist" communist movements and bear this in mind.

Undoubtedly, in the period of socialist construction, it is necessary to conduct education in the communist ideal among the people. It is the communist party's duty to give publicity to communism and to realize communism. Facts show that without a lofty ideal, people will not be able to maintain the real aspiration and long-cherished enthusiasm for carrying out revolution. Here, the communist ideal is not merely some abstract discussion about the prospects of communism; it should include the ideal of carrying out reform, realizing socialist modernization, displaying patriotic spirit, and realizing a high degree of socialist democracy and civilization and building a perfect form of economically-developed socialist society. In short, education in the communist ideal should be closely linked with the present socialist practice, and the two things must not be separated.

Something About Socialism and Communism

One important subject in our communist education is to give proper theoretical explanation on the relationship and distinction between the two historical stages, namely, socialism and communism. As mentioned above, practically handling the relationship between the stages of socialism and communism remains a difficult task for all Marxists in the world. On this issue, if we merely stick to some conclusions in the Marxist books and disregard reality, we will unavoidably form this or that incorrect viewpoint. Before the 1870's, Marx did not strictly distinguish socialism from communism, and did not distinguish the elementary program of the communist party from its supreme program. In the mid-1870's, Marx for the first time divided future communist society into two stages and defined socialism as the elementary or primary stage of communist society. This is undoubtedly a scientific conclusion drawn by Marx from the conditions of capitalist development at that time. How should we approach this conclusion? In my view, Marx' conclusion should not be taken as a fixed pattern of socialist society (which Marx and Engels repeatedly called for). The application of this conclusion should be combined with our concrete socialist practice. We should not neglect the fact that socialism in real life will experience different development processes under different historical conditions.

If we consider things realistically and soberly, we may easily find that the process and degree of development of our socialist society are quite different from the socialist society described by Marx as the elementary stage of communism. In the socialist society described by Marx, not only classes and class differences have been completely eliminated, but commodity and money have also vanished in people's economic relations. Moreover, public ownership of the whole society has reached a high degree, and the state no longer plays a political role. Socialism of this type has reached such a level that it can directly evolve to communism, and such society has no need to experience a stage of socialist construction. However, socialism in our country is developed from a backward semi-feudal, semi-colonial society, and its development level (including the level of public ownership) is far lower than that of the socialist society described by Marx.

There are not only quantitative but also some qualitative differences. Without a rather long period of socialist construction, it will not be possible for us to achieve the conditions for transition to communism. This is the historical fact and concrete development process that we are facing. It is of great theoretical and practical significance to discuss this issue.

In view of this state of affairs, obviously, we cannot deny that we have entered a socialist society because our economic development level is still not high. As I pointed out above, the character of a society is not determined by its economic development level, but by its socioeconomic system, by the form of ownership of the means of production, and by the nature of production and distribution relations determined by this ownership form. Some people have tried to use the development level and characteristics of the primary stage of communism described by Marx as the standards to judge whether our society has entered socialism or not. This is not correct, and it represents a misunderstanding.

On the other hand, for the same reason, we cannot recklessly announce that we have entered communism. There is nothing good about recklessly announcing that "communism is not far away" as we did in the 1950's. This is harmful because it would only lead to the conclusion that our society has begun the transition process toward communism. Naturally, after our society entered socialism, the door of communism was also opened; but in fact, there is still a long way to go before we reach communism.

Lenin, who also discussed the two stages of communism in theory, assumed a prudent attitude when he practically handled the relationship between socialism and communism in the period of military communism after the October Revolution. Apart from pointing out the need to pay attention to the "emerging communist things," he repeatedly said that "we must be very prudent when using the term 'communism,'" and "communism will emerge only after socialism achieves complete victory." ("Selected Works of Lenin," Vol 4, pp 142, 143) At the fourth anniversary of the October Revolution, Lenin more clearly pointed out: "It appears that a number of transitional stages were necessary -- state capitalism and socialism -- in order to prepare -- to prepare by many years of efforts -- for the transition to communism." (ibid., pp 571-572) Because he encountered a new and more complicated situation, Lenin in fact put forward a variation from Marx' description. In those days, Lenin felt that is must have been very prudent in handling the relationship between socialism and communism.

At present, we have seen more clearly than Lenin all the complexities in this relationship. In the final analysis, our previous wishful thinking about immediately starting the transition to communism has caused a series of defects and problems in our economic structure, including a reduction in the circulation of small commodities, the extensive transfer of products without payment, an overanxious drive to establish exclusive public ownership, and the regulation of all economic activities through rigid state mandatory plans.

We did not understand that our present socialism should be just a preparatory stage for communism as Lenin said and should exist much longer than Lenin expected and that the transition would be much more complicated, as everything will be determined by the degree of development of the productive forces. We should all remember a pertinent remark in the resolution adopted by the Sixth Plenary Session of the Eighth CPC Central Committee: "If we are enthusiastic for the communist cause, then we should first be enthusiastic for developing our productive forces." At present, we should first get rid of the things in our system which are hindering the development of the productive forces.

Here, I also want to discuss the question of whether we should encourage the communist work attitude of "working without considering pay and remuneration and without caring about the differences between individuals." It is true that Lenin gave much publicity to communist-style voluntary work in the first few years after the October Revolution. Russia was then situated in the period of military communism, and it was necessary to arouse the people's communist enthusiasm for voluntary work. At the same time, it was then believed that it would not be too hard to realize communism. Therefore, Lenin confidently told members of the communist youth league: Undoubtedly, you will be able to live happily under the communist system.

At that time, Lenin conducted communist education in light of such an assessment of the situation at that time. Even so, Lenin was still rather prudent in communist propaganda. In 1920, he talked about communist work in an article entitled "From the Destruction of the Old System to the Establishment of the New System," saying that "more exactly speaking, this is not an issue of communist work, but an issue of socialist work." (Ibid., p 175) As we know, not long afterward, the negative effects of military communism and egalitarianism were fully exposed, and this forced Lenin to adopt the new economic policy and to stress the viewpoint that socialism must be built on the basis of showing concern for people's individual material interests and must directly link laborers' material benefits with their work results.

This time, Lenin placed emphasis on the point that all conscientious workers should do their best to work for their own benefit and for the benefit of society and should not be preoccupied with their personal gains, because their Soviet country was still very poor. On the other hand, he emphasized that the state must strictly carry out the policy of giving material remuneration according to people's work results, because this is the only correct policy that can promote the development of productive forces and the only way that leads to socialism. It should be affirmed that voluntary work and benefit performances on some occasions represent a noble spirit, but in the present stage, we must follow the principle of distribution according to work and must acknowledge the existence of income differences between individuals due to their different work ability and work results. It is also necessary to adopt the bonus system which is favorable to the enhancement of productivity. Lenin also pointed out that it is necessary to find a common yardstick which can combine the public interest with the individual benefit and which can subject the individual interests to the public interests. He regarded this as a difficult question that has not been solved by previous socialists and must now be solved.

Our ongoing reform also shows that advancing socialism cannot be limited to the framework outlined by the books, nor can it be limited to some fixed and ossified models of reality. Our reform is popular and is full of vitality. Reform is a necessity rather than an expedient, because it proceeds from real life rather than from some dogmas or unrealistic models, and it represents the objective requirements in the development of socialist productive forces and the self-improvement capability and inevitable tendency of the socialist system.

If we concentrate our strength on socialist reform and construction so as to develop our productive forces, will our communist objective become more distant and vague? No. On the contrary, if we work in a down-to-earth manner and advance step by step, we will be able to better maintain the development orientation and ensure our advance toward our long-term objective -- communism.

Our party has repeatedly announced that our economic development in the near future is divided into two stages: The first stage is between the 1980's and the end of the 20th century.

Our objective in this stage is to quadruple production and raise the people's living standards to a "comparatively well-off" level. The second stage will be in the first half of the 21st century, in which we will catch up with the economic development level of the world's advanced countries. At present, we still do not know how much time it will take to build up a perfect form of socialism and to achieve the complete victory for socialism and when we will be able to announce that we have reached the development level of the elementary stage of communism as Marx described. If we do not make major errors, maybe we will reach that level by the middle of the 21st century, or maybe it will still take us most of the 21st century to build the perfect form of socialism. After the perfect form of socialism is accomplished, will we be able to begin immediately the transition to communism? And under what conditions can we announce the transition to communism? It is even harder to give an accurate answer now. Although history will inevitably advance toward communism, the concrete historical process will be a complicated formula which includes many variables at home and abroad. At present, we cannot make any predictions, and there is no need to debate these questions too soon.

The Marxists represented by Lenin initiated socialism in real life in the 20th century. This is a characteristic of our times. Since socialism came into being, it has experienced painful explorations and numerous errors. Many things had to be started from the beginning. Mankind has paid a price for this. However, no matter what happens, socialism will certainly succeed and communism will certainly be realized. This prospect has become clearer and clearer.

The characteristic of the times also reflects the limitation of the times. In the 20th century, mankind has experienced a tortuous course in exploring "transition" ways. Is this experience of any universal significance in the socialist cause of all mankind? Will mankind have better methods to accomplish the transition from capitalism to socialism and further to communism in the next centuries? Will the technological revolution beginning in the 1960's in the capitalist world, the growing role of the capitalist states in the economic activities, and the changes in the working class' working and living conditions produce any influence on the conditions for the socialist revolution and on the ways to carry out the socialist revolution? We still have to answer these questions through our practice. Each theory has a specific historical background. We cannot say that there is only one way to win socialism and there is only one model of socialism.

Lenin was correct in saying: "We cannot take Marx' theory as something invariable and something sacred. On the contrary, we deeply believe that it is the foundation for a science. Socialists should advance this science in all aspects if they do not want to lag behind real life." ("Selected Works of Lenin," Vol 1, p 203)

We must adhere to the basic principles of Marxism at all times, and must not vacillate. However, as Marx said, "We should not raise any banner of dogmatism." ("Complete Works of Marx and Engels," Vol 1, p 416) The basic principles of Marxism, or the stand, viewpoints, and methodology of Marxism require us to creatively apply them to solve the new questions in our present socialist construction. We should dare to develop the theory and to make breakthroughs in theory. I think that this is the reason why our study of the basic principles of Marxism is of new significance.

LI PENG ATTENDS FOREIGN-STUDY STUDENTS MEETING

OW132337 Beijing XINHUA Domestic Service in Chinese 1148 GMT 13 May 86

[ZHONGGUO JIAOYU BAO [CHINA EDUCATION JOURNAL] reporter Yang Jianye and XINHUA reporter Xiao Jiabao]

[Excerpts] The meeting on the work for students abroad ended in Beijing today. It clearly pointed out: To send people to study abroad through various channels for the development of China's socialist modernization program entirely conforms with our long-term policy of opening the country to the outside world. From now on, we must unswervingly carry out such practice. During the "Seventh 5-Year Plan", the number of people sent to study abroad at state expense each year will increase compared with the past.

This meeting was held on 7 May by the State Education Commission. Based on the principle of promoting what is beneficial and abolishing what is harmful, the meeting summed up China's experience in sending people to study abroad over the past 7 years, and discussed and studied the guideline and principle for future implementation.

During the meeting, Li Peng, member of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee and vice premier of the State Council, heard a briefing on the meeting and expressed his views on the work of sending students abroad.

The meeting held: Since the 3d Plenary Session of the 11th CPC Central Committee, China has attained remarkable results in sending students overseas. It has played a positive role in assimilating advanced science, technology, and managerial expertise abroad, in training first-rate professionals, and helping them to enhance their competence.

During the 7 years from the end of 1978 to the end of 1985, China sent more than 30,000 people to study at state expense in 76 nations and regions in the world's 5 continents. This number triples the total number of people sent to study abroad during the 17 years prior to the "Cultural Revolution." In addition, more than 8,000 people left the country to study abroad at their own expense. Currently, over 16,500 people completed their studies and returned to China as planned and required.

The meeting also clearly pointed out China's principle in sending students overseas. This principle is: In sending people to study abroad, we must proceed from China's actual situation in developing its four modernizations program, and keep in mind China's requirements in production, construction, and scientific research, and in the training of talented people to help solve problems in scientific research and production, and to train more highly competent people.

In discussing the plan to select and send people to study abroad at state expense, the meeting participants unanimously pointed out: Currently, fairly rapid progress has been made in China's higher education. Standards in teaching and scientific research have greatly improved. From now on, we must gradually achieve the goal of training most of our postgraduate students at home. Therefore, we must properly readjust the ratio of students who seek to study abroad at various academic levels.

We must adequately reduce the number of postgraduate students who wish to study abroad for their masters' degree, while sending more students with the equivalent of a masters' degree to study abroad for their doctorate. At the same time, we must encourage cooperation between institutions of higher learning and scientific research institutes at home and abroad to conduct scientific research and train doctoral candidates.

In order to select the best qualified people to study abroad, the meeting pointed out: In selecting people to study abroad at state expense, it is necessary to pay attention to the candidates' political background, academic achievements, and physical condition, as well as their foreign language capability. It is necessary to select those who cherish the motherland and socialism and those with higher moral standards and political awareness who have practically distinguished themselves. Those selected to study abroad should work hard to become persons with lofty ideals, moral integrity, well-educated and self-disciplined. They must study hard to become professionals and promote socialist modernization. We must strengthen ideological and political work among those people studying abroad to help them foster the thinking of building an enterprise through arduous efforts and rejuvenating theChinese nation.

During the meeting, He Dongchang, vice minister of the State Education Commission, made a speech, entitled: "Improve the Work for Those Studying Abroad, Do An Even Better Job in Cultivating Talented People for the Development of the Four Modernizations Program."

Attending the meeting were more than 170 people, including responsible comrades of the education departments of various provinces, autonomous regions, and municipalities directly under the central government, leading comrades of some ministries, commissions and institutions of higher learning, and heads of education sections in some Chinese embassies and consulates abroad.

HAO JIANXIU AT GUANGDONG TOY FAIR OPENING

OW190326 Beijing Domestic Service in Mandarin 1100 GMT 15 May 86

[Excerpts] Guangdong Province is quickly developing toy production as a major industry. The province now has more than 200 enterprises producing toys. The annual value of the province's toy output is over 200 million yuan, accounting for a third of the country's total. To mark Children's Day, which falls on 1 June, Guangdong Province opened a toy fair today at the Cultural Palace for Working People in Beijing. Hao Jianxiu and other comrades attended the opening ceremony of the fair.

ECONOMIST MA HONG INSPECTS SICHUAN'S DUKOU CITY

HK170303 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 16 May 86

[Text] Ma Hong, alternate member of the CPC Central Committee, director general of the State Council's Economic, Technological, and Social Development Research Center, and a well-known economist, inspected economic, technological, and social development and reforms of the urban economic structure in Dukou City from 11 to 13 May. During his visit, Comrade Ma Hong listened to reports delivered by leaders of the city CPC Committee and government, the Panzhihua iron and steel complex, Panzhihua mining complex, No 19 metallurgical construction company, the Dukou mining bureau, and the Dukou construction bureau. He also paid on-site visits to the iron and steel mining complexes and the Ertan hydroelectric station dam.

Comrade Ma Hong was gratified at the great changes in the building of Panzhihua over the past 21 years. He said that in the wake of the further exploitation of Panzhihua's resources, the strong points in resources will be converted into economic strong points and the state's economic construction will gradually shift from east to west. Panzhihua will be the most developed area in western China. Dukou City will get rich head of the rest of western China.

TIAN JIYUN ON INDUSTRY, COMMERCE ADMINISTRATION

OW090951 Beijing XINHUA Domestic Service in Chinese 1053 GMT 8 May 86

[Excerpts] Beijing, 8 May (XINHUA) -- Ren Zhonglin, director of the State Industry and Commerce Administration Bureau, said at the National Meeting of Industry and Commerce Administration Bureau Directors, which ended today: The main task of the industry and commerce administrative offices, at a time when the old system is being changed in the new, is to strengthen supervision and improve management, while exercising control and helping stimulation in order to ensure that all economic activities are conducted healthily during economic restructuring.

Before the meeting began, Tian Jiyun, vice premier of the State Council, gave an important talk on the importance of the industry and commerce administration work and on such problems as market management, advertisement control, and the buildup of the contingent to industry and commerce administration workers. He deemed the work extremely important. Good industry and commerce administration work can forestall, or diminish, the various negative factors in the course of opening to the outside world and economic stimulation, and can support and promote the smooth running of economic restructuring. Industry and commerce administration work is currently faced with a new situation and the problem of having to exercise control and help in economic stimulation. We must systematically adapt to this new situation ideologically, organizationally, and in terms of the legal system.

Ren Zhonglin said: The foremost task this year is to resolutely stop the evil practice of party and state organs and cadres engaging in business or running enterprises. At the same time, investigating and consolidating companies must be considered important. After investigation and consolidation, and after studying policy limits, decisions should be made as to which may or may not be operated and which is or is not legal.

Ren Zhonglin strongly stressed that evil tendencies in the industry and commerce administration system must be corrected. He said: Ideological and political work must be stepped up, the work style must be improved, and the bad practice of using simplistic methods and treating people brutally must be overcome.

QIAO SHI MEETS ARMED POLICE REPORTING GROUP

OW210519 Beijing XINHUA Domestic Service in Chinese 1506 GMT 20 May 86

[By reporter Wu Yue]

[Excerpts] Beijing, 20 May (XINHUA) -- Qiao Shi, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, met with a reporting group of heroes and model workers of the People's Armed Police Force at the Great Hall of the People this afternoon. He encouraged members of the group to be educators as well as learners and to be models in improving party style.

Comrade Qiao Shi told the heroes and model workers: Your stirring deeds embody communist ideology, lofty moral values and the spirit of armed police loving the people, impartially enforcing the law, and devotion to duty. You are outstanding representatives not only of the armed police and public security forces but of all public security, judicial, and procuratorial organs.

Comrade Qiao Shi also said: Organizing heroes and model workers into groups to give lectures is important experience in effectively doing ideological and political work in the new period. Lectures given by reporting groups can help the broad masses understand the armed police force, and they can also play a positive role in helping young people adopt a correct outlook on life and in bringing about a fundamental turn for the better in party style and standards of social conduct.

Since mid-April, the reporting group has given lectures on the armed police force in Beijing, the Zhongguo College of Journalism, and other units. These lectures have been well received. The group will be divided into three mobile teams to give lectures in various parts of the country.

VICE PREMIER QIAO SHI SPEAKS ON LAW RESEARCH

OW211410 Beijing XINHUA in English 1401 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- The policy of "letting a hundred flowers bloom and a hundred schools of thought contend" must be further carried out in the research work of the science of law, a Chinese vice-premier said here today.

A down-to-earth attitude and the discussions of different views should be advocated, he added. Speaking to the second conference of the members of the Chinese Law Society, which opened here this morning, Vice-Premier Qiao Shi said that Chinese jurists should also learn what is useful to China from their foreign counterparts. But they should not just copy blindly, he added.

Chinese jurists should base their research and study on the basic principles of Marxism and the actual situation of their own country as well, the vice-premier said, adding that they should not rigidly adhere to one or two conclusions which have already been proved to be not in conformity with the actual situation.

For a big country like China, which experienced a long period of feudalism and is backward both economically and culturally, Qiao Shi explained, it is a hard job to develop socialist democracy and perfect socialist legal system.

Since there is no experience or model to copy, Chinese jurists must emancipate their minds, boldly explore and be good at summing up their experience under the guidance of the basic principles of Marxism so as to develop the Marxist science of law with Chinese characteristics, Qiao Shi said.

He expressed his hope that the society and its affiliates across the country would help promote the contacts between the local administrative work departments and the law institutions.

Research Areas To Expand

OW211840 Beijing XINHUA in English 1410 GMT 21 May 86

[Text] Beijing, May 21 [XINHUA] -- The Law Society of China promised to expand its research areas to promote China's law construction, as its second conference opened here today.

"The major task of the society is to summarize the past and present experiences, and build up a Marxist legal system with Chinese characteristics," said Wang Zhongfang, chairman of the society.

The Law Society of China, established in 1982, now has 29 group members and 2,600 individual members. It has also set up 74 local branches. Its members have participated in the drafting of such important laws as the Constitution, General Principles of the Civil Code and the Law on Sino-Foreign Joint Ventures. In the past four years, the society and its local branches have conducted 146 investigations and organized 350 seminars.

SEMINAR ON WORLD PEACE OPENS IN SHANGHAI 20 MAY

OW201218 Beijing XINHUA in English 1207 GMT 20 May 86

[Text] Shanghai, May 20 (XINHUA) -- A seminar on world peace opened here today.

The three-day seminar, sponsored by the Chinese Academy of Social Sciences, the Shanghai Academy of Social Sciences and the Shanghai International Affairs Institute, is one major activity for the international peace year, 1986, in China.

The policy known as "one country, two systems" and the trimming of the Chinese Army by one million men are China's contributions to world peace, said Zhou Peiyuan, president of the Chinese People's Association for Peace and Disarmament.

More than 40 public figures and scholars closely concerned with the issues of peace from all over China are attending the seminor. Some 40 papers will be presented.

PLA ACADEMY OUTLINES RESEARCH OBJECTIVES

OW181012 Beijing XINHUA Domestic Service in Chinese 0735 GMT 17 May 86

[By reporter Chen Xiangan]

[Text] Beijing, 17 May (XINHUA) -- This reporter learned from a recent conference of the PLA Academy of Military Sciences that under new historical conditions the PLA's research organs should intensify their study of military sciences to face the needs of the PLA's modernization, face the outside world, and face the future, striving to guide the modernization of national defense with military science theories.

The conference of the PLA Academy of Military Sciences focused on studying how the PLA's research organs should proceed with their research in accordance with China's actual situation and the strategic change in the thinking that guides military development. The conference pointed out that research organs should intensify their work in the following five areas:

1. They should intensify research into the realistic problems that appear in the modernization of national defense and the strategy of deterring aggression in the future. They should have the courage to reform and bring forth new ideas and study the objective laws of and the guiding principles for people's war and the construction of the People's Armed Forces under modern conditions in order to serve the modernization of national defense and deter aggression in the future.

2. They should intensify lateral ties with other departments and carry out research openly. They should set up an information exchange network, intensify lateral ties inside and outside the Armed Forces, and regard study of military sciences throughout the Armed Forces as the broadest and most profound foundation for their organs' research. They should take positive steps to create conditions for gradually setting up ties with relevant foreign military units and academic organizations.

3. They should intensify the study on comprehensive application. Their scientific research should enable them to provide strategic proposals and consultation for the central military commissions and various PLA headquarters. They should also be able to raise, answer, and study questions concerning the Armed Forces' construction, preparedness, tactics, and training, as well as major academic issues in the military colleges.

4. They should intensify the development and use of modern means of research. In recent years the Academy of Military Sciences has achieved some successes in studying tactical issues by means of electronic computers. In the future it should continue to intensify the study of basic theories on military systems engineering and the development and use of computer software.

5. They should intensify scientific management and operate according to scientific law. They should foster academic democracy; enliven academic thinking; give researchers greater initiative in doing their work; and encourage them to achieve greater, faster, and better results.

The Academy of Military Sciences is the center of military science research in the Armed Forces. Since it was founded 28 years ago it has accomplished over 500 major research projects, trained a contingent of military scientists, and signiticantly contributed to encouraging the Armed Forces to study Marxist-Leninist military theories and Mao Zedong military thought.

WANG BINGQIAN ON CURBING GROUPS' PURCHASING POWER

OW231051 Beijing Domestic Service in Mandarin 1100 GMT 21 May 86

[Text] This evening Wang Bingqian, state councillor and minister of finance, addressed a national telephone conference on curbing the purchasing power of social groups. He said: At present there are still serious cases of extravagance and waste, cases of ostentation, rivalry in lavishness, and seeking ease and comfort. It is imperative to apply rigid control over consumption funds to make sure they don't increase too fast.

He said: The purchasing power of social groups is a major component part of the consumption funds. If this purchasing power is allowed to expand excessively it wili increase the state's financial burden and make it more difficult for the people to purchase items that are in short supoply on the market.

He said: All localities, departments, and units should seriously implement the regulations concerning controlling the purchasing power of social groups. It is particularly important for leading organs and leaders of various units to set a good example in implementing the regulations.

Wang Bingqian said: Necessary managerial systems should also be instituted to keep the purchasing power of village and town enterprises under control. In addition, guidance, assistance, and persuasion should be offered to help them see the need to curb their purchases.

Wang Bingqian stressed that with regard to the 17 items designated by the state as controlled items, including sedans, limousines, motorcycles, sofas, rugs, color television sets, refrigerators, and washing machines, a unit must first obtain approval before buying any of them and a supply department must ask the buyer to show a purchase permit before selling these items. Any unit that defies regulations and uses the state's funds to wilfully purchase a specially controlled commodity will be investigated and responsibility affixed to its leaders and the principal parties concerned.

Strict Controls Urged

OW231904 Beijing XINHUA Domestic Service in Chinese 1326 GMT 21 May 86

[By reporter Chen Naijin]

[Text] Beijing, 21 May (XINHUA) -- Wang Bingqian, state councillor and minister of finance, pointed out today that all localities, departments, and units should seriously implement the state regulations on curbing the purchasing power of social groups, and in no way should they relax the restrictions at will and go their own ways on the excuse that their cases are exceptional. In particular, leading organs and leaders of various units should set an example in implementing these state regulations and should not use any pretext to make their own decisions in this regard, he added.

Wang Bingqian made these remarks at a national telephone conference held here this evening on curbing social groups' purchasing power. He pointed out that the purpose of curbing this power is to guide them to rationalize their consumption, reduce extravagance and waste, and economize on funds and materials so that more reserves will be available for economic construction. Excessive expansion of the purchasing power of social groups will not only result in excessively fast growth of the consumption funds, but also increase the state's financial burden and make it more difficult for the masses to buy commodities in short supply on the market. Accordingly, curbing social groups' purchasing power is a good thing in the interests of both the state and masses.

As a whole, he said, the work done in the first quarter of this year to curb social groups' pourchasing power in the whole country was relatively successful. Their purchasing power for that quarter amounted to 9.98 billion yuan, only 5.4 percent more than last year's corresponding period and lower than the growth of the purchasing power of residents. However, the growth rate of 5.4 percent for the first quarter of this year was preceded by a 39.8 percent growth rate registered for the first quarter of last year.

If an average growth rate is computed from the figures for 2 years, it is still quite high. At present, he pointed out, the phenomena of indulging in ostentation, trying to outdo each other in lavishness, seeking ease and comfort, and indulging in extravagance and waste are relatively serious among some units and leaders. On the other hand, the fine traditions of hard struggle and plain living and of building up the country through diligence and thrift and the idea of taking frugality as a glory and waste as a shame have become blunted in the minds of some comrades.

Wang Bingqian pointed out: Reasonable measures for controlling the purchase power of collective enterprises must be worked out. The past few years have witnessed rapid development of collective enterprises, especially village and town collective enterprises. It is estimated that the purchasing power of village and town enterprises accounts for about 30 percent of that of all social groups. This is a new situation and also a new problem that has appeared in recent years. We must make it clear to village and town enterprises that excercising necessary control and management aimed at cutting nonproductive expenditures is also of great advantage to the enterprises themselves.

Efforts must be made to accelerate coordination among departments concerned. With regard to the 17 items designated by the state as specially controlled commodities -- sedans, limousines, motorcycles, sofas, rugs, collapsible sofas, air conditioners, video cassette recorders, tape recorders and multi-purpose records, cameras and enlargers, big or high-grade musical instruments, furniture, woolen fabrics and their products, pure wool blankets, color television sets, refrigerators, and washing machines -- any unit wishing to buy them must obtain approval before the purchase is made, and the supoply department must ask the buyer to show a purchase permit before it sells these items. A purchase permit is also required for the bank to settle accounts, and for the financial department of the purchasing unit to make disbursement and complete the accounting procedure. Moreover, when the vehicle control department issues a new vehicle license to a social group, it should require the presentation of the purchase permit. These requirements were established long ago and have been reiterated many times by the State Council. The departments concerned should take the overall interests into consideration and coordinate with one another in meeting these requirements. They should neither be perfunctory nor act wrongly out of personal considerations, but should see to it that the reqauirements are strictly fulfilled.

Wang Bingqian stressed: There must be strict discipline to guarantee the success of the work of strictly controlling social groups' purchasing power. This work must be grasped in conuuction with the work of party rectification, and every effort should be made to ensure that orders and prohibitions are strictly enforced. With regard to acts of violating the regulations, unscrupulously wasting the state funds, purchasing specially controlled commodities without approval, going in for ostentation and lavishness, and indulging in extravagance and waste to such an extent as to exceed the allowable limit, it is imperative to hold the leaders of the units concerned and the principal persons involved respoonsible and report the cases to the departments concerned so they will be subjected to administrative and disciplinar· punishments as well as economic sanctions. Leaders at all levels are requested to strengthen their leadership over the purchase-control work. Leading groups for controlling purchase at all levels should make periodic checkups to see how well the purchase-control work is done and the pertinent regulations are implemented, and should strive to solve any problems that exist in their work.

GUANGDONG'S LIN RUO ATTENDS ECONOMIC REFORM MEETING

HK161300 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 15 May 86

[Text] The meeting on reform of the economic structure, which has been conducted by the Guangdong Provincial CPC Committee since 6 May, concluded this afternoon. Through study and discussion, the comrades attending the meeting integrated theory with practice, summed up and exchanged their experiences in reform, and strengthened their awareness of reform. They were determined to make bigger steps in reform of the economic structure next year, and the year after next, and to make good ideological preparations.

(Zhuo Jiong), a famous economist, attended the meeting by invitation and gave a report on the development of the socialist commodity economy. Comrades Lin Ruo, Ye Xuanping, and Xie Fei spoke at the meeting.

The comrades present at the meeting held that our province overfulfilled its quotas for the national economy and social development ahead of schedule during the Sixth 5-Year Plan period and benefited from the fact that it had started reform earlier. They key to whether or not our province can maintain the same achievements in development during the Seventh 5-Year Plan period as those during the Sixth 5-Year Plan period, lies in continuously pushing reform ahead.

In connection with realities over the past year and more, comrades attending the meeting reviewed the decision of the CPC Central Committee of reform of the economic structure and Premier Zhao Ziyang's report on the Seventh 5-Year Plan. They came to further understand the necessity and importance of developing the socialist commodity economy. They pointed out that the commodity economy is not a category peculiar to capitalism but a stage from which mankind cannot depart in the history of social and economic development. We must eliminate all ideological obstacles and justly and forcefully prepare the public for the development of the socialist commodity economy.

The comrades present at the meeting said that the law of value is the law of the commodity economy. To vigorously develop the commodity economy, we must conscientiously adhere to and apply the law of value. Therefore, we must vigorously develop the socialist commodity market, give full play to the role of the key cities, and firmly grasp the central link -- invigorating the enterprises so that they are full of vitality and vigor and can become commodity production operators working on their own and assuming sole responsibility for their profits and losses. It is necessary to change government organs' functions of managing the economy; to separate the government from the enterprises; to streamline the government; to delegate power to the enterprises; and to do a good job in giving macroeconomic control guidance and in providing service. It is essential to get rid of the old traditional departmental separatist system, to vigorously develop lateral economic ties, to open up to one another, and to carry out economic cooperation in many forms. It is imperative to strictly control the scale of capital construction and to create a relatively well-off environment.

The comrades attending the meeting held that we are now in a period in which the new and the old systems are confronting each other. To guarantee the smooth progress of reform of the economic structure, we must do a good job in all reforms. In light of the blindness in production in the commodity economy, we must conscientiously strengthen ideological and political work and the building of spiritual civilization.

Responsible comrades of the provincial, city, and prefectural CPC committees and some units at the provincial level, totaling some 160 people, attended this meeting.

GUANGZHOU EXECUTED CRIMINALS INCLUDE HONG KONG COMPATRIOT

HK250922 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0830 GMT 24 May 86

[Excerpt] Guangzhou, 24 May (ZHONGGUO XINWEN SHE) -- Sin Shui-you, a Hong Kong thief who robbed a Hong Kong compatriot in Guangzhou, was executed here this morning. The other collaboratores from Hong Kong and Guangzhou were sentenced to life and a set term imprisonment respectively.

Sin Shui-you was formerly a vagrant in Hong Kong. In early November 1985, when he was informed that his neighbor Huang had intended to illegally exchange HK$100,000 for renminbi at the black market to help her hometown relatives build houses, the idea of robbing Huang crossed his mind. On 14 November, Sin devised a plot with Fan Huo-chuan and Teng Chih-wen to lure Huang to Guangzhou and then rob her. With HK$60,000 in cash, Huang and her son Lai went to Guangzhou with Sin Shui-you on 16 November and were put up at a certain hotel. At around 0400 the next morning, Sin falsely alleged that a "friend" was waiting near the hotel to exchange the money. When Sin lured Huang and her son out of the hotel, Fan Huo-chuan and Teng Chih-wen rushed ou from a dark corner, snatched the HK$60,000 from Huang's hands, joined Fan Zhihui, a collaborator from Guangzhou, and escaped to Fan's residence to share the loot. Sin Shui-you and Fan Huo-chuan shared HK$35,000. The remainder was divided between Teng Chih-wen and Fan Zhihui. The fact that Sin and his collaborators' came to Guangzhou specially to rob a Hong Kong compatriot has seriously jeopardized Guangzhou's public security and has violated Articles 24, 52, and 53 and part two of Article 150 of the PRC Criminal Law. The Guangzhou Intermediate Court sentenced Sin Shui-you to death, Teng Chih-wen to life imprisonment, Fan Huo-chuan, who behaved cooperatively, to 15 years' imprisonment, and Fan Zhihui to 10 years' imprisonment according to law.

HENAN HOLDS MEETING ON TRANSFERRING ARMED FORCES

HK240737 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 23 May 86

[Excerpts] A Henan provincial conference on transferring county, city, and district People's Armed Forces departments to local authorities concluded in Zhenzhou on 23 May. Yang Xizong, secretary of the provincial CPC Committee and first secretary of the Henan Military District CPC Committee; (Guo Fuzhou) Chief of staff of Jinan Military Region; and Zyan Jingwu, commander of Henan Military District, spoke at the meeting. Zhan Jingwu outlined specific arrangements for the transfer work. He said: The transfer of People's Armed Forces departments to the local authorities is a major affair. All units must seriously study and apply the spirit of the relevant central documents, make full preparations, and ensure the smooth progress of the transfer. The province has set up a leadership group for this work, headed by Liu Zhengwei, deputy secretary of the provincial CPC Committee. The prefectures, cities, and counties should set up similar groups.

In his speech, Comrade Yang Xizong affirmed the work of the People's Armed Forces departments in Henan over the past 35 years and gave some views on further creating a new situation in militia and reserve service work. He said: After the county and city People's Armed Forces departments have been transferred to the local authorities, the party committees and government at all levels must put the work of these departments on their agenda, periodically check on the state of the work, and regularly listen to work reports. The provincial military district and the military subdistricts remain the leading organs in People's Armed Forces work. The county and city People's Armed Forces department comrades must spontaneously respect and obey the leadership of the local party committee and government and also spontaneously respect and obey the leadership of the upper-level military organs. They must also improve their work methods and do a still better job in militia and reserve service work.

OVER 100 KILLED IN SICHUAN BASIN STORMS, HAIL

HK230430 Beijing CHINA DAILY in English 23 May 86 p 1

[By staff reporter Hu Sigang]

[Text] Chongqing -- More than 100 people were killed, 600 injured and 80,700 houses destroyed by violent storms and hail that swept the hilly east Sichuan Basin three times. The area around Chongqing was hardest hit. For local people, it was one disaster following another, as the storms ended a drought.

On May 12, nine districts and counties including Jianjin, Yongchuan and Qijiang were struck by stong winds and heavy rain hit the four counties of Changshou, Jiangbei, Hechuan and Baxian.

Then on Tuesday, hail and winds ranging from force 7 (strong gales) to force 12 (hurricanes) clobbered the Chongqing area from midnight to 3 am. Thirteen of metropolitian Chongqing's 21 districts and counties were hard hit, including Danzhu, Rongchang and Shuangqiao, according to an official. Rongchang County, which suffered the brunt of the storm, was smashed by force 12 winds. Within three hours, 143.6 millimetres of rain poured down. Parts of the county town were flooded and boats were used to rescue residents.

According to preliminary figures released by the city government, 58 townships were seriously affected, 67,000 families with more than 300,000 people were involved. More than 6,600 hectares of ready-for-harvest spring crops, rice shoots, young maize plants, sweet potato creepers and fruit trees were damaged. Many huge trees were uprooted and more than 2,000 utility poles were toppled, an official of the city's power supply bureau said. In some areas, power, traffic and communications were cut. Many factories, schools and shops were forced to shut.

Mayor Xiao Yang, who was directing relief work at Yongchuan County, rushed to Rongchang County on Tuesday night and again rushed to Dazhu on Wednesday morning. Four rescue teams have been sent to disaster-hit areas. All hospitals, blood banks and epidemic prevention stations are participating in rescue work.

At an urgent municipal meeting, deputy party Scretary Li Chenwen called on all people to take part in relief work. A special group was set up to supervise overall relief. An official of the local meteorological observatory said the storms were caused by a storm southward movement of cold air above the Qingling Mountains and an east-ward retreat of subtropical high pressure over the west Pacific.

TIBET MEETING COMMEMORATES 'PEACEFUL' LIBERATION

OW220650 Beijing XINHUA in English 0615 GMT 22 May 86

[Text] Lhasa, May 22 (XINHUA) -- Tibetans will celebrate the 35th anniversary of their peaceful liberation from feudal conditions Friday. At a ceremony here Wednesday marking the event, government and Buddhist leaders told more than 250 representatives of different Tibetan Groups the liberation and subsequent reunification with China had revolutionized living conditions for people in the region.

Pagbalha Geleg Namgya, vice-chairman of the Standing Committee of the region's People's Congress, the Tibetan legislature, said the liberation "has brought the people of Tibet onto the road of prosperity and progress.".

He said the "facts show that the leadership of the Communist Party of China and joint efforts with other nationalities on the socialist road have made it possible for the Tibetan people to have a bright future."

Comoinling Dandzim Chilai, [name as received] vice-president of the region's Buddhist association, called on all Tibetans to "cherish and safeguard" China's unity, including the unity of its ethnic groups. "This unity is a fundamental guarantee of the prosperity of the nation."

Redi, deputy secretary of the leading regional Communist Party committee, called on all Chinese to "do their part to promote national unity and contribute to the invigoration of Tibet and the nation as a whole."

Representatives of regional trade unions, women's federation and Communist Youth League organizations also spoke at the meeting.

Background on 1949 Liberation

OW220636 Beijing XINHUA in English 0543 GMT 22 May 86

[Spellings of Tibetan names as received]

[Text] Lhasa, May 22 (XINHUA) -- Following is background information on Tibet's peaceful liberation to mark the 35th anniversary of this historical event this coming Friday:

After the founding of new China on October 1, 1949, the central people's government announced the end to the system of oppression of nationalities and adopted the policy of equality among all nationalities. At that time, all parts of China, except Tibet and Taiwan, had been liberated. The Chinese Communist Party Central Committee and Chairman Mao Zedong worked out the principles for the peaceful liberation of Tibet according to the situation in China and abroad and the reality of Tibet.

The central people's government requested the Tibetan local government to send representatives to Beijing for talks on peaceful liberation in 1950 while ordering the People's Liberation Army to enter Tibet. Because of the obstruction by imperialists and some reactionaries in Tibet, the Tibetan local government did not send representatives to Beijing, but deployed the Tibetan Army in the city of Changdu to halt the march into Tibet of the People's Liberation Army.

The People's Liberation Army liberated Changdu in October 1950. Afterwards, the Tibetan local government sent chief delegate Kaloon Ngapoi Ngawang Jigme and delegates Dzasak Khemey Sonam Wangdi, Khentrung Thupten Tenthar, Khenchung Thupten Lekmuun and Rimshi Samposey Tensin Thundup to Beijing. The plenipotentiaries of the Tibetan local government arrived in Beijing in late April 1951.

The central people's government assigned Li Weihan as chief delegate and Zhang Jingwu, Zhang Guohua and Sun Zhiyuan as delegates to talk with the Tibetan representatives from April 29. On the basis of friendship and unity, they concluded an agreement on the peaceful liberation of Tibet and the signing ceremony took place on May 23. During the talk, the Bainqen Lama arrived in Beijing and accepted all the points of the agreement.

The agreement had 17 points. The major points were that the Tibetan people should unite and drive out the imperialist aggressor forces from Tibet and the Tibetan people should return to the big family of the motherland of the People's Republic of China; the local government of Tibet should actively assist the People's Liberation Army to enter Tibet and consolidate the national defense; the Tibetan people had the right of exercising national regional autonomy under the unified leadership of the central people's government; the local government of Tibet should carry out reforms on its own accord, and when the people raised demands for reform, they should be settled by means of consultation with the leading personnel of Tibet; the policy of freedom of religious belief should be carried out and the religious beliefs, customs and habits of the Tibetan people should be respected; Tibetan agriculture, livestock raising, industry and commerce should be developed step by step; and the central people's government should have centralized handling of all the external affairs of Tibet.

After the conclusion of the agreement on peaceful liberation, Zhang Jingwu, representative assigned by the central people's government to Tibet, arrived in Lhasa on August 8. On October 24, the Dalai Lama cabled Chairman Mao Zedong, "the Tibetan local government and the monks and people of Tibetan nationality have given the agreement unanimous support. Under the leadership of Chairman Mao Zedong and the central people's government, they are actively helping the People's Liberation Army units to march into Tibet to strengthen national defense, drive imperialist forces from Tibet and safeguard the unification of the territorial sovereignty of the motherland."

On October 26, the People's Liberation Army marched into Tibet and the Tibetan people were freed from imperialist aggression and returned to the big family of the People's Republic of China.

CHENGDU PLA COMMANDER COMMENDS YUNNAN BORDER UNIT

HK180531 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 17 May 86

[Excerpts] According to YUNNAN RIBAO, a rally to commend a certain Yunnan border defense unit for meritorious service in defensive combat in the Laoshan area was held at a certain place on the border yesterday morning. The commanders and fighters of this unit, which is responsible for defensive combat in the Laoshan area, have displayed a high degree of patriotic spirit and revolutionary heroism in repulsing up to a thousand Vietnamese Army assaults and harassments, dealing stunning blows at the enemies' arrogance, and defending the four modernizations drive and the tranquillity of the border area.

Chengdu Military Region Commander Fu Guanyou spoke at the rally. He highly praised the major victories won by this unit in defensive combat in the Laoshan area. Yunnan Vice Governor Dao Guodong extended congratulations to the commanders and fighters on behalf of the provincial CPC Committee and government and the people of the whole province.

Also present were leading PLA and local comrades Liao Xilong, Song Qingwei, Meng Dongbo, and Liu Shusheng.

AFTERMATH OF CAAC-CAL INCIDENT, PILOT'S DEFECTION

CAL Statement on 'Diverted' Plane

OW240255 Taipei CNA in English 0235 GMT 24 May 86

[Text] Taipei, May 23 (CNA) -- China Airlines [CAL] issued a statement Friday evening saying that according to a preliminary investigation, Wan Hsi-chueh, pilot of the diverted CAL cargo plane B-198, was the one who intentionally applied violent means and hijacked the cargo jet to the China mainland on May 3. CAL said in the statement that the incident has caused serious damages to both the nation and CAL and that it is determined to make a thorough investigation of the case and work out concrete measures to ensure its flight safety. According to the descriptions by copliot Tung Kuang-hsing and flight engineer Chiu Ming-chih during the press conference at the Chiang Kai-shek International Airport, CAL has arrived at a preliminary conclusion that the CAL cargo plane was hijacked by pilot Wang Hsi-Chueh to the China mainland out of his own will, the statement said.

CAL will conduct a thorough investigation to find out Wang's motives for hijacking the aircraft and to study all possible factors that might have led to the incident as reference for working out countermeasures, it said. CAL will also impose due punishment on those officials who should be held responsible for the incident and improve its management to ensure the light safety in the future, the statement said.

Meanwhile, the Hong Kong-based PAI HSING magazine, in its current issue, accused the Peiping regime of interfering with the freedom of press by imposing strict control over the news coverage of the CAL incident.

CAL Firm at Talks With CAAC

OW260555 Taipei CHINA POST in English 24 May 86 p 12

[Text] CAL's attitude has been firm throughout discussions with Peking counterparts on the return of the CAL jumbo jet, according to Eugene Chen, director of the planning section of the CAL office in Taipei and one of the three-man CAL delegation in the talks. Describing the discussion at a press conference yesterday afternoon, Chen said CAL insisted on not turning over the aircraft in Canton, and on demanding the release of the two CAL personnel no matter what happened.. Chen said at the first meeting on May 17, the Peking representatives insisted on two terms: The transfer was to take place in Canton, and the two CAL personnel, the aircraft, and the cargo were to be transferred simultaneously. But CAL refused to go to Canton...

Neither side gave ground at the second meeting, and the CAL delegation was ready to break off the talks, he said. When the two sides met the third time, the Peking delegation agreed to have the plane returned in Hong Kong. And the fourth meeting was concentrated on details of the return, Chen noted.

Crewmen Describe Hijacking

OW240533 Taipei CNA in English 0330 GMT 24 May 86

[Text] Taipei, May 23 (CNA) -- Tung Kuang-hsing, copilot of the China Airlines' [CAL] Boeing 747 B-198 cargo jet which its pilot diverted to Canton May 3, has described pilot Wang Hsi-Chueh's action as a hijacking.

Tung, in a press conference in Taipei Friday, said Wang hijacked the plane as it was approaching Hong Kong on route from Bangkok to Taipei. The copilot said Wang used an axe, a steel chain and a pair of handcuffs.

The copilot said after they finished lunch and flight engineer Chiu Ming-chih went to the toilet in the back, Wang, reddened in the face and appeared to be insane, Tung said, attempted to strangle him from behind with a stainless steel chain. Wang then handcuffed him and threatened to kill hinm with an axe unless the latter obeyed his order. It was at this moment, Tung said, the pilot said he was determined to land the jet at Canton. Five minutes later, Tung said, when Chiu came back to the cockpit and found out what the pilot had done to Tung, Chiu punched Wang but gave up in vain at last under the threat of Wang's axe.

They said in the press conference at the Chiang Kai-shek International Airport they had tried their best to presuade Wang to abandon his action in order to avoid harming their country and families. Chiu said he went so far as to kneel down to beg Wang, but Wang didn't change his mind and diverted the cargo jet by landing at Paiyun Airport in Canton.

Tung said almost two hours after Wang got off the plane, he and Chiu were taken to the Chuchiang Guesthouse in Canton and were confined in separate rooms there. In the 20 days they stayed on the mainland, Chiu said, they were guarded tightly. They never went out of the guesthouse freely except to make some phone calls to their relatives in the United States.

Tung said he and Chiu did not try their best to prevent Wang from diverting the plane to Canton because they wanted to assure the safety of the plane. And they wanted to let the whole world know the truth about the incident after returning to the free world, he added.

United Front Tactics Unpersuasive

OW260551 Taipei CHINA POST in English 24 May 86 p 12

[Text] The Chinese Communists cannot deny that the three principles of the people will unite China because the Communists failed to persuade two crew members of a China Airlines (CAL) cargo jet hijacked to the mainland May 3 to remain behind with the pilot, one of the crew members said upon returning to Taiwan yesteday.

Chiu Ming-chih, flight engineer of the hijacked CAL Boeing 747 jumbo jet, said he had faith in his country and was not won over by the Communists. Four to five men wearing civilian clothes visited Chiu and co-pilot Tung Kuang-hsing every day from May 3 to 10 at the Chu Tao (Pearl Island) hotel in Canton, where they were staying, Chiu said. The Communists talked to them at length every day until they felt weary, Chiu said. They were told that they would be labeled as traitors when they returned to Taiwan, the flight engineer said, but he did not believe the Communists.

Chiu said he and Tung had never left the tightly guarded hotel, and so foreign reporters in Hong Kong and on the mainland could not reach them for comment during their days in captivity. Starting May 10, Chiu said, they were given newspapers to read and shown a video tape recording of pilot Wang Hsi-Cheuh's reunion with his father in Peking. But Chiu said he was puzzled why Wang's face was expressionless when he saw his father.

The Communists did not stop their united front tactics even shortly before Chiu and Tung boarded their plane for Hong Kong, the 40-year-old mechanic said. Chiu said he only bade farewell to his fellow Chinese on the mainland and not one single Chinese Communist.

Yu Kuo-hwa Orders Investigation

OW240251 Taipei CNA in English 0233 GMT 24 May 86

[Text] Taipei, May 23 (CNA) -- Premier Yu Ku-hwa has direcred the Ministry of Communications to conduct a thorough investigation to find out why a China Airlines [CAL] cargo jet was diverted to the China mainland on May 3 and who should be responsible for the incident. Yu made the directive Friday evening after two crew members aboard the diverted Boeing 747 arrived in this natioin and told reporters what happened during the past 20 days at a press conference at the Chiang Kai-shek International Airport. He also asked the civil Aeronautics Administration to come up with concrete plans to improve the safety of the nation's aircraft and crew members aboard.

Pilot's Case Enters Legal Procedures

OW260351 Taipei CNA in English 0329 GMT 26 May 86

[Text] Taipei, May 24 (CNA) -- The case of the China Airlines [CAL] pilot Wang Hsi-chueh, who allegedly hijacked a CAL cargo jet to the China mainland on May 3, has entered legal procedures, a CAL spokesman said Saturday. Larry Lin told reporters that CAL has reached a preliminary conclusion that the hijacking of CAL cargo plane B-198 to the China mainland has an individual act by pilot Wang Hsi-chueh, and therefore, it has asked judicial authorities to handle Wang's case according to the law. If Wang is found guilty of hijacking, he will become a wanted criminal, Lin said. Because of the incident, CAL has stopped paying Wang's family members his salary since May and asked the Civil Aeronautics Administration to revoke Wang's pilot license, he said.

CAL, Aeronautics Officials Resign

OW240307 Taipei CNA in English 0254 GMT 24 May 86

[Text] Taipei, May 23 (CNA) -- Liu Teh-min, director general of the Civil Aeronautics Administration [CAA] tendered his resignation to Communications Minister Lien Chan Friday afternoon so as to shoulder his administrative responsibility for the China Airlines' [CAL] Boeing 747 cargo jet diversion incident May 3. Meanwhile, Wu Yueh and Chi Jung-tsun, CAL board chairman and president respectively, also tendered their resignations to the CAL Board of Directors after learning from Tung Kuang-hsing and Chiu Ming-chih, co-pilot and flight engineer of the CAL cargo jet respectively, the truth about the diversion incident. After gaining understanding of the incident, Liu instructed CAA officials to further investigate the incident and told CAL to take appropriate measures so as to prevent similar incidents from happening again before tendering his resignation to Minister Lien.

CHINA POST Editorial

OW260519 Taipei CHINA POST in English 23 May 86 p 4

[Editorial: "Lesson of CAL-CAAC Talks"]

[Text] The 20-day marathon battle of wits over the China Airlines' (CAL) jumbo jet incident was finally settled with CAL and its counterpart in Peking the "Civil Aviation Administration of China (CAAC)" both claiming victory.

Peking spoke of a breakthrough regarding the ROC's "(Republic of China] "no contact policy," while Taipei will recover its plane, two crewmen and cargo in Hong Kong rather than in Canton. CAL's compromise in agreeing to hold talks in Hong Kong with its communist rival to recover the US$60 million Boeing 747 aircraft and reclaim two crewmen and the cargo has been accepted as a gesture in the "humanitarian spirit".

On the other hand, the incident also revealed the Chinese Communists' willingness to sacrifice human rights for the sake of united front tactics by holding the two crewmen hostage to force the CAL to talk. And despite the ROC authorities efforts to play down the political significance of the direct talks between the two Chinese airline companies, it is evident that political overtones may linger.

Many local political analysts shared the view that the CAL-CAAC face-to-face talks did not mean a door was opening for future talks concerning the reunification of China, because the ROC Government has made it clear that its anti-Communist stand is not to be compromised. However, it would surprise no one that Peking will bring propaganda out of the incident to win world support for its peace overtures to Taipei.

The ruling Kuomintang may also face mounting pressure for expanded contact with Mainland China. The government, for instance, may be asked why it considered negotiating with Peking on the plan out of humanitarian considerations while it rejected talks on reuniting families divided by the Taiwan Strait. The facade of friendliness, rationality and largess intentionally created by three CAAC representatives over the four days of talks may mislead the world and even local people into believing that the Chinese Communists are not betes noires.

The have told the world through the news-hungry journalists in the British colony covering the news that "there is nothing that cannot be resolved between us brothers," and that they will always be willing to hold communications with Taipei to iron out differences. Their compliance with CAL's request to hand over the plan in Hong Kong rather than on the mainland may also mislead Hond Kong and local people into believing that Peking sincerely honors the spirit and letter of the "one country, two systems" tactic.

Even before the jet incident occurred, the government faced strong pressure from law-makers to coexist with Peking in the Asian Development Bank. And the authorities had to thrash out a compromise by staying in the bank but absenting the ROC from the last meeting. Moreover, the public also, called on the government to relax its control of people-to-people contacts in academic, cultural and trade areas. And it is an open secret that though Taipei has repeatedly rejected Peking's overtures to establish direct trade, air and communication links, still private exchanges of mail, visits and indirect trade have been tolerated. As the familial, cultural and sentimental links between the people on the two sides of the Taiwan Strait can never be severed, the talks may trigger renewed calls on humanitarian grounds for reconsideration of the government's hardline stance.

Let's not mince words. Through the Hong Kong talks, Mainland China has made a breakthrough regarding the government's three no's policy -- no contact, no talks and no compromise -- so the ROC should work out new measures to counter mounting communist challenges. The government should also study the case from a broader angle and plan policy for similar and even more complicated situations in the future. A crisis management task force should also be established to handle such cases quickly.

After the ruling Kuomintang called its Third Plenum of the 12th Central Committee at the end of March, the party Chairman Chiang Ching-kuo exerted his authority to show the world that the KMT is willing to show flexibility and is ready for political adjustments and breakthroughs.

To avoid repeating the tragedies in the Philippines and South Korea, we also have the faith that the President can lead the nation out of any political tempests. The CAL incident somehow has taught us another lesson. To seek national security and political harmony and progress, all parties here should cast aside selfish motives and show the sincerity to communicate.

TAI-CHI GORGE LANDSLIDE KILLS 33; MANY MISSING

OW261007 Taipei CNA in English 0946 GMT 26 May 86

[Text] Taipei, May 26 (CNA) -- Thirty-Three people were killed, 28 injured and at least seven others unaccounted for when large boulders rained down upon them Sunday during a landslide in Tai-chi gorge. Police said Monday morning that rescue teams are still trying to remove the rocks that buried some of the tourists.

The landslide took place near the Rainbow fall at about 11:20 a.m. Sunday. Thousands of tons of rocks fell to the bottom of the gorge.

Nearest to the scene was a camping group from Keelung. According to leader Chien Shih-hsuan, he and his group were trying to take a group picture when rocks fell upon them.

Kuo Chi-chung, a student of the Sacred Heart Commerce School in Keelung, and Miss Chen Hsing-Chu, an employee of the Bank of Taiwan, were the first ones hit by the falling rocks. They suffered broken limbs. Chien said the rocks measured about ten feet in height and 40 feet in width. The rocks separated the excursionists at the bottom of the gorge into three groups with about 40 of them trapped in the middle.

Most of those trapped amidst the rocks were students of a teachers' school in Pingtung. Those who were not injured helped their schoolmates and others out from among the rocks. Chien said about 170 tourists in five groups were at the gorge when the rocks fell. The Keelung group and the Taipei group sustained the highest casualties as they were nearest the scene.

The Tai-chi gorge is noted for its natural beauty. It is located in Nantou County and is a new tourist attraction in central Taiwan.

CPC RECTIFICATION OF FILMS, ART APPRECIATION ANALYZED

HK211213 Hong Kong CHING PAO in Chinese No 106, 10 May 86 pp 20-22

[Article by Yin Ping: "Hu Qili Speech on Films Was a Prelude to Mainland China's Rectification of Film Production"]

[Excerpts] It has long been said that the CPC is determined to straigten out its movies, and it seems that in this regard things have developed rapidly this year. On 21 January, Li Xiannian issued the "35th order of the state president," officially appointing Ai Zhisheng, former minister of broadcasting and television, as minister of broadcasting, films, and television. On 24 March, XINHUA formally announced the leading body of the new ministry. The vice ministers included Xie Wenqing, Nie Dajiang, Ding Jiao, Ma Qingxiong, and Xu Chonghua. Three days later, on the afternoon of 27 March, the ministry leaders held a meeting with bureau cadres in the broadcasting, television, and film production industries and artists at and above grade seven.

"Three Funny Fellows Tour Shenzhen" Was Criticized

It seems that the authorities' decision to rectify films is related to last year's situation in film production.

On 11 November last year, CPC General Secretary Hu Yaobang held a meeting to censure the minister of culture for allowing some pornographic films to be shown in the "review and exhibition of French films." The CPC Central Discipline Inspection Commission proposed that disciplinary actions be taken against Chen Huangmei and four other responsible cadres. A large production of films produced last year were Kungfu and police films and they squeezed other films out of the market. In particular, the Ministry of Public Security accused the films -- "The Plot of the Honeymoon" and "The Flying Thief in Emei" -- of vilifying and misrepresenting the image of public security personnel. The film "Three Funny Fellows Tour Shenzhen" produced by the Beijing Film Studio was not allowed to be shown openly because of its vulgar contents. Hu Giming, director of the Beijing Film Studio, was cornered by both the upper authorities and his fellow workers, as the film was banned and he had no money to issue year end bonuses to the workers. He could harly keep the film studio operating in a normal manner. Workers said that their director had made a wrong bet by producing the film "Three Funny Fellows Tour Shenzhen."

However, the Beijing Film Studio's negative fate suddenly changed. On the evening of 11 January 1986, Hu Qiaomu, a member of the CPC Political Bureau; Hu Qili, a member of the CPC Political Bureau and secretary of the central Secretariat; Deng Liqun and Wang Zhaoguo, both secretaries of the central Secretariat; Bo Yibo, deputy chairman of the CPC Central Advisory Commission; Rong Gaotang, secretary general of the Central Advisory Commission; Zhu Houze, director of the CPC Central Propaganda Department; and some main responsible people of the departments concerned and Beijing's major media units gathered at Zhongnanhai to see a new film, "An Enchanting Band," produced by the Beijing Film Studio. It was a rare event for so many central leaders to gather to see a film.

Hu Qili Emphasizes That Two Points Should Be Grasped

After the film, Hu Qili made a speech. He said that film production should bring about good social effects and good economic results. "An Enchanting Band" should be taken as a breakthrough in this regard. The administrative department in charge of film production should formulate a set of directive standards and regulations, including *administrative, economic, and legal* measures.

All aspects of film production should be properly rectified. Outstanding film workers should be supported, and the green light should be given to good films which can inspire the people to make progress. At the same time, administrative, economic, and legal means should be used to check the production of bad films. The political and professional quality of all film workers should be further improved.

Hu Qili emphasized two points: First, reform must be carried on, because there will be no way out without reform. Second, bourgeois liberalization must be checked, because it will not bring about good results. Hu said: The people's standards of art appreciation must not be underestimated. For example, when our national mustic and classical Western music are performed at concerts held in the Beijing Concert Hall, there are always full houses and the order is good. Some people think that highbrow art may not be appreciated by the public. This is not true. Foreign news agencies have also reported that a classical music fever has appeared in Beijing. Concert audiences understand the music perfectly well, and they applaud wherever the music calls for applause. We should not consider backward audiences as the mainstream. (Zhu Houze said: When symphonies are played in Shanghai, the audience's reactions and order are good.)

After the CPC leaders commented on "An Enchanting Band," copies of this film increased sharply to a number rarely seen in recent years. Many film conductors and producers came to Beijing to look for scenarios like "An Enchanting Band." After "An Enchanting Band" was shown in the countryside, many peasants went to cities to buy musical instruments and began to organize their own bands. However, some people said that they were bored with the film, which was praised lavishly from beginning to end. Recently, when the Beijing Film Studio chose its outstanding film for 1985 based on public appraisal, "An Enchanting Band" was not the most popular. Maybe people have been bored by the lavish praise.

The new minister, Ai Zhisheng, is a gentle and urbane intellectual. He is 57 years old. Although he speaks slowly, he is a rather tenacious man. He was engaged in CYL work after he graduated from Qinghua University. He was transferred to the State Council in 1983. His speech at the ministry's cadre meeting was mainly a notice to reassure the staff and cadres. He said that the merger adds a heavy work load to him, and he does not have many resources. He will rely on the central leadership and the masses to fulfill the work tasks.

The new minister emphasized three points: First, the film industry will be shifted from the jurisdiction of the Ministry of Cultural to his ministry. Second, in the change of the administrative relations, only the central organ in charge of film production will be shifted from the Ministry of Cultural to the Ministry of Broadcasting, Film, and Television, but provincial and municipal film bureaus will remain under the leadership of the provincial and municipal departments of culture. Third, horizontal relations should be strengthened in the film industry and barriers between different departments should be broken.

Ding Jiao, a new vice minister, made a speech on behalf of the film department. He said: China's film industry has a history of some 80 years, and people now engaged in this industry number some 500,000 people. Today, this mightly army has joined forces with the army of broadcasting and television. Then Ding Jiao said that there are now three fears in the film industry. First, people fear that films will be taken as the "mouthpiece" of the party like the broadcasting industry; second, people fear that they may lose creative freedom; and third, they fear that good films will be immediately responded to with these misgivings. He praised two outstanding TV films, "Looking for the Future World" and "The New Star", produced by the Beijing Film Studio's directors. He said that the two TV films were greatly successful, and he hoped that more film directors would participate in the production of TV films.

On the surface, the meeting was full of warm discussions, but the purpose of the meeting was not to ensure the fulfillment of the production tasks of the film studios. It is very likely that the meeting was to pave the way for the Sixth Plenary Session of the CPC Central Committee next September, because the coming Central Committee session will raise new requirements for spiritual civilization.

It seems the rectification of films is merely a prelude. The main play will not begin until September's Central Committee session, so the climax of the play has not yet come.

YAN MINGFU APPOINTMENT TO UNITED FRONT WORK EXAMINED

HK230913 Hong Kong Kwang CHIAO CHING in Chinese No 164, 16 May 86 pp 50-52

[Article by Ai Pi-hsi: "Yan Mingfu -- From a Russian Interpreter to Head of the United Front Work Department"]

[Excerpts] Yan Mingfu's Appointment as Head of the "United Front Work Department" Took People by Surprise

The news that Yan Mingfu had been appointed head of the United Front Work Department of the CPC Central Committee took people in Beijing quite by surprise. "Can a person without any experience in united front work shoulder such a heavy responsibility as head of the United Front Work Department of the CPC Central Committee?" some CPC cadres asked.

Has "United Front" Work Been Downgraded?

"Does the fact that the post of head of the United Front Work Department of the CPC Central Committee is held by an unknown figure and not by a person enjoying great prestige in the party show that the united front work of the CPC has been downgraded?" asked some non-party personages in whispers.

Supposedly at that time a person familiar with Yan Mingfu's experience expressed the following view: "Being Yan Baohang's son, he has some favorable qualifications to carry out united front work. Nevertheless, the United Front Work Department is not the Soviet Union and East European Affairs Department of the Ministry of Foreign Affairs. Can a person satisfactorily perform his work by relying on his Russian alone?

A few months later, however, doubts about the suitability of his appointment as head of the United Front Work Department of the CPC Central Committee were seldom heard. All people inside and outside the party who have had some contact with, or an understanding, of, the united front work are satisfied with the new head. Some people praised him by saying: "In the current situation, we need a person precisely like Yan Mingfu to become head of the United Front Work Department."

He Was an Excellent Russian Interpreter in His Early Years

In the past, the post of head of the United Front Work Department of the CPC Central Committee was mostly held by people who had long experience in political activities and who occupied relatively high positions in the party and exercised a considerable influence outside the party, such as Li Weihan in the early period of the founding of the PRC and Wu Lanhu and Yang Jingren after the Cultural Revolution. Compared with those prestigeous predecessors, Yan Mingfu can really be called an "unknown figure."

A native of Liaoning, Yan Mingfu was born in 1931. Since northeastern China was liberated at an earlier time, he majored in Russian at the Harbin Institute of Foreign Languages in the late 1940's. He was a senior schoolmate of Sun Yanheng, China's chief representative at the Sino-British Land Commission. After his graduation in the early 1950's, he worked as a Russian interpreter at the All-China Federation of Trade Unions. In the years when the Soviet Union was regarded as a "big brother" with whom China "sided without reservation," a Russian interpreter was very popular. By dint of his good mastery of the Russian language, his wide range of knowledge, and his clear and keen mind, Yan Mingfu gave a very good account of himself in work. For this reason, he was soon transferred to the General Office of the CPC Central Committee.

In the general office of the CPC Central Committee there were many cadres who lived in the Soviet Union for many years and had a good command of the Russian language. Naturally, in the early period after he entered Zhongnanhai, he was still unable to work as a chief interpreter. However, he constantly raised his standard of Russian through diligent studies. When some old-timers were no longer suitable to work as interpreters because of their age, this promosing young person immediately distinguished himself and became an outstanding figure among the Russian interpreters.

He Sat at the Sino-Soviet Negotiating Table

As far as Yan Mingfu is concerned, this was an unusual experience. By sitting at the negotiating table, across which the two major communist parties of China and the Soviet Union engaged in a violent contest, Yan Mingfu, who was in his early thirties at that time, knew a lot of extremely important things which are still regarded as highly confidential today. This tremendously broadened his horizon and enabled him to ponder on many problems. However, this unusual experience soon brought him a disaster.

He Was Thrown Into Prison During the "Cultural Revolution"

The disaster descended upon him during the "Great Cultural Revolution."

Kang Sheng, who rose to prominence by attacking or criticizing others, participated in the Sino-Soviet talks from beginning to end. Posing as an "antirevisionist fighter," he branded the colleagues attending the talks as having deviated from the "revolutionary line." Because Yan Mingfu refused to write material exposing people according to Kang Sheng's will and against his conscience, he was also implicated and thrown into prison.

In the days of absolute anarchy, people were not necessarily tried before being imprisoned. On Kang Sheng's orders, Yan Mingfu was thrown into prison for no reason at all. Fortunately he was only an interpreter and so he was not the main target of Kang Sheng's attack or criticism. After experiencing some hardships, he was not as strictly guarded as in the beginning. Thereupon, he made good use of his time and buried himself in books.

He Worked in the Editorial Department of China Encyclopedia and Was Later Transferred to the NPC

After the downfall of the "gang of four," Yang Mingfu's suffering came to an end. As Russian interpreters were no longer needed in large numbers and as his age made it unsuitable for him to take up this work, he was appointed deputy editor in chief of the China Encyclopedia.

In the editorial department of the encyclopedia, Yan Mingfu was very popular. As a deputy editor in chief, he was not only up to the mark professionally but also able to unite people. In this organization, where intellectuals were concentrated in large numbers, there were quite a few old academics and experts having special skills. In the editorial department Yan Mingfu was modest and diligent and was very much concerned with the work and well-being of other colleagues. This made the "stinking nineth" who, over the years, had been blamed for whatever they had done, have peace of mind. It was precisely because of this strong point, which he displayed in his new work post, that he was soon transferred to the post of deputy secretary general of the NPC. Recently, when the CPC looked for a new head of the United Front Work Department, he was again selected.

PRC ABOLISHED SANXIA PROVINCE PREPARATORY GROUP

HK250210 Hong Kong TA KUNG PAO in Chinese 25 May 86 p 1

[Dispatch: "Preparatory Group for Sanxia Province Is Abolished; Another Development Office Is Set Up"]

[Text] Beijing -- According to sources concerned, China has abolished the preparatory group for Sanxia Province and set up a Sanxia Economic Development Office under the State Council to take charge of scientific research and demonstration work for the Sanxia project, and to make preparations for the construction of the Sanxia project during the next 5-year plan.

Feasibility research for the Sanxia project has been carried out for years and preparatory work has already started. Owing to objections within the country, the development of the Sanxia project has been delayed. During the NPC session held this year, Vice Premier Li Peng told Chinese amd foreign reporters that the Sanxia project is a great project that can bring about overall results including prevention of floods, generating power, and shipping. It has an important bearing on the current four modernizations as well as on our future generations. Generally speaking, the position of the Chinese Government is active and also prudent.

The Chinese Government has decided to carry out preparatory work on the Sanxia project during the Seventh 5-Year Plan. The main task, which is to conduct scientific research and demonstration work, will be accomplished within 2 years. For this reason, the State Council has planned to set up a special demonstration committee for the Sanxia project. (A number of groups composed of veteran, young, and middle aged experts from various trades and professions within the country will be established under the committee.) Afer the demonstration work, a specific plan will be worked out for the project according to the economic conditions at that time.

During the demonstration work, the opinions and suggestions made by Chinese experts will be taken into account. Meanwhile, experts from countries with rich experience in building hydropower stations will be consulted. Their experience and advanced technology will also be drawn upon.

TAIWAN TO TAKE LEGAL ACTION AGAINST DEFECTING PILOT

HK250744 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 25 May 86 p 1

[By Terry Cheng, in Taipei, and Julina Chan]

[Text] China Airlines [CAL] is to take legal action against Commander Wang Xijie, the pilot who defected to China after flying a cargo jet to Guangzhou.

Political observers in Taipei see the move to charge him for hijacking the jet as a potential embarrassment to Beijing.

The public relations director of CAL in Taipei, Mr Larry Lin, told the [SOUTH CHINA] SUNDAY MORNING POST yesterday that the company planned to issue a writ against Cmdr Wang for hijacking the jumbo Boeing 747 on May 3. Hijacking is a criminal offense. Mr Lin said the airline would first study the details of the case and then submit a law suit to Taiwan courts which would proceed with legal action. He would not rule out the possibility that Interpol might be asked to help extradite the defector from China to stand trial in Tiawan and that a third party might also be approached to help with the extradition. But political observers say this move would be unlikely to succeed.

The airline would not comment on whether it considered Cmdr Wang guilty or not. The matter must be handled by the courts, said Mr Lin. The Public Prosecution Office of Taipei District Court has also decided to gather evidence for the case.

Under Taiwan law, hijackers are liable to prosecution for 20 years. If convicted, they can be sentenced to death or life imprisonment. But a Grand Justice, Mr Lee Chih-teng, yesterday said the court might not be able to pass judgment on Cmdr Wang in his absence because hijacking was a serious offence. A spokesman said CAL had decided to stop paying Cmdr Wang's salary, fringe benefits and retirement pension to his family, and had revoked his flying licence by Taiwan's Civil Aviation Authority. The Ministry of Foreign Affairs has also invalidated Cmdr Wang's passport.

Mr Lin, said that the plane's "black box" -- which records in-flight conversations on board -- could not be used in court. All recordings were automatically erased 30 minutes after the engines of the plane were shut off.

The CAL board of directors is expected to meet in a few days to decide whether to accept the resignations of CAL officials Mr Wu Yueh and Mr Chi Yung-chun.

Taiwan's Minister of Communications, Mr Lien Chan, has also said he would carefully study the resignation earlier tendered by chief of the Civil Aviation Administration, Mr Liu Teh-ming. An in-depth investigation into all aspects of the defection would begin soon. The investigation would involve the two crewmen, co-pilot Mr Tung Kuang-hsing and flight engineer Mr Chiu Ming-chih and also other management levels in CAL.

CAL TO INVESTIGATE DEFECTING PILOT'S MENTAL STATE

HK270358 Hong Kong KONG KONG STANDARD in English 27 May 86 pp 1, 24

[Report from Taipei by To Yiu-ming]

[Text] Psychiatrists were called in yesterday by China Airlines (CAL) to assess the psychological state of defected pilot Wang Shi-chuch at the time he "hijacked" a cargo jet to China early this month. It was the latest attempt by the airline to confirm 57-year-old Commander Wang's "mental abnormalities," following allegations that CAL's mismanagement triggered off the defection. CAL officials suspected Mr Wang was in a "neurotic" condition, which caused him to defect. They do not believe he was discontented with his job.

The search for a psychological explanation was initiated after the two returned crewmen, co-pilot Tung Kuang-hsing, 57, and flight engineer Chiu Ming-chih, 40, disclosed that Commander Wang cited CAL as a major reason for his act.

In a letter written by co-pilot Tung Kuang-hsing to his wife while he was in Guangzhou, he said Commander Wang decided to defect as he was frustrated with the management system and his unsuccessful bid for promotion. The letter was published yesterday in the CHINA TIMES. Mr Tung also remarked in the letter that there was a lesson to be learnt, that unjust handling of staff problems would prove damaging to a company. The airline declined to comment on the letter.

Public Relations Director Larry Lin said that recommendations for the improvement of the airline's operations had been submitted to the board of directors. He confirmed that Commander Wang hand made a bid for promotion, but said: "We cannot expect every pilot to be promoted to flight instructor."

Some observers in Taiwan noted that the airline pinpointed Commander Wang's emotional problems as the culprit after ruling out the possibility that his act was ideologically or politically motivated. An airline official, who declined to be identified, told the press that Mr Wang could have been depressed after a medical checkup revealed that his pulse rate was below average. The airline was also considering other factors, such as family problems and psychological frustration during his 19-year career with the airline.

Commander Wang was an outstanding U2 pilot in the Air Force but his airline career was not as successful.

The CAL investigation report will be discussed by the directors and may be made public if the Taiwan Government deems fit. He refused to disclose the names of the directors, saying it might jeopardise the residence status of some directors who are living abroad. They or their family members many become targets for kidnappers, he said. According to sources, there are about 25 directors and they are all retired officials of the Taiwan Air Force.

EDITORIAL VIEWS CONSEQUENCES OF PRC RETURN OF CAL PLANE

HK240538 Hong Kong SOUTH MORNING POST in English 24 May 86 p 2

[Editorial: "The End of a Long Standoff?"]

[Text] In a day of high drama and excitement, two Taiwan airmen made history by being flown out of China, where they had been held for the past 20 days, and returned to their homes after a brief interlude in Hong Kong. Waht made the day so significant was that it breached, for the first time, all three of the three no's which have been a cardinal policy of the Taiwan Government in regard to Mainland China.

For the incident, triggered by the defection of CAL [China Airlines] Captain Wang Hsi-chueh on board his cargo-carrying airliner on May 3, brought officials of China's Civil Aviation Administration and Taiwan's CAL together for the first time. While Taiwan may claim no government officials were involved, yet the ice has been broken and not only were contacts made, but negotiations took place. The ensuing agreement made history.

Little wonder that Chinese people in Hong Kong followed the proceedings avidly and sat or stood glued to television screens and radios throughout the day. Nor was it surprising, in retrospect, that the first appearance of the two crewmen, co-pilot Tung Kuang-hsing, 57, and flight engineer Chiu Ming-chih, 40, drew gasps of acclamation.

Yet why should this be? It was not a repetition of the saga of Stanley and Livingstone, played out at Kai Tak Airport instead of darkest Africa; nor was it like Christopher Columbus crossing the Atlantic and discovering America, much less like Neil Armstrong landing on the moon. It did, however, signify that the long freeze in contacts between China and Taiwan had at last been broken.

Taiwan people may have been relieved to hear the two crewmen say they were forced to divert to Taiwan at the point of an axe and after a fierce struggle in the cockpit of the airliner. In short, there was evidently no collusion with the defecting captain.

While their political sympathies and their national honour remain unsullied by the event, however, the two men have achieved what was thought to be impossible -- to have touched down in the mainland, stayed for almost three weeks, seen forbidden sights, spoken to forbidden people, watched forbidden television, eaten forbidden food, and to have come out alive to tell of their amazing experience.

These latter day Marco Polos may well be disciplined as a routine reaction by the authorities -- though there was no suggestion yesterday that they would be -- but their story of the mid-air struggle looks plausible enough to be accepted by all but the inveterate sceptics -- with which we are sure the Taiwan Government is well endowed.

What is the lesson of this relatively trivial yet highly significant experience? Taiwan may well order CAL flights to take new routes well away from the mainland, but the fact is that the door has been opened and the threshold crossed and it is likely never to be so forbidding or daunting in future.

No one new expects Taiwan to drop its guard, lift restrictions, or even agree to minimum contacts. Yet inevitably the unofficial contacts will increase and the government will become increasingly isolated as the people living in Taiwan lose their dread of their old adversary and accept the reality that they are all Chinese and its is time gradually to break down man-made barriers.

This will of course take time. Perhaps a long time. But in time it might result in more and more people in Taiwan wondering whether the one country, two systems idea proposed for Hong Kong would work for them too. After all, 40 years is a long time to be separated by an ideological gulf that has long ceased to be daunting.

That is perhaps unthinkable in Taiwan today. But just as a game of ping-pong started started the renewal of contacts between the United States and China in 1972, so this incident might mark the beginning of the end of the long standoff between the two adversaries.

HONG KONG TO INVESTIGATE COMPATRIOT EXECUTED IN GUANGZHOU

HK260732 Hong Kong HONG KONG STANDARD in English 26 May 86 p 1

[Text] The Political Adviser, Mr John Boyd, said yesterday the government will be looking into the case in which a Hong Kong man was executed in Guangzhou, last Saturday, for robbing two other Hong Kong poeople of $60,000 while they were staying in China. He told the STANDARD he did not know the background of the case and when the man had been sentenced. He also said that to the best of his knowledge, he did not know of any similar cases of Hong Kong residents being executed in China.

When asked where the relatives of the family could ask for assistance or whether they had asked for help, he said he had given all the comments he wanted to give for the moment.

According to the CHINA NEWS SERVICE, Sin Sui-yau was given the death sentence because he seriously endangered the law and order of the city with his well-planned crime. Two other accomplices were sentenced to life imprisonment and 15 years' jail respectively by an intermediate People's Court. All three had been found guilty of robbing Sin's neighbours while they were in China.

Legislative Councillor Dr Ho Kam-fai said telling Hong Kong people where to go for assistance when their relatives are sentenced for crimes committed in China or in other parts of the world should be part of our civic education. He said at the first instance, he also supposed the relatives could get help from the Immigration Department or lawyers specialising in international laws. Dr Ho said he was a bit surprised, when he was informed that a principal assistant secretary of the Security Branch, Mrs Regina Ip, said such cases were not related to her department, but should be directed to the political adviser, as he thought the political adviser only advised the governor. "You raised a very interesting point. As such cases rarely happen, I suppose most people would not know where to seek help, but I think as people in Hong Kong travel more to China and other countries, common sense or civic education should include a part on where people can get help when their relatives outside Hong Kong are in trouble," he said.

Dr Ho said that when the Attorney-General, Mr Michael Thomas, answered a question raised by Mr Hilton Cheong-leen in the Legislative Council on May 14, Mr Thomas was replying on how the government or the British Consul can assist the victim himself, not the relatives.

The Director of the Christian Industrial Committee, Mr Lau Chin-shek, said the government can do something to guarantee that justice is being done. He said the route of appeal may be negotiation through Hong Kong or having China set up a special place for people from Hong Kong or Macao to appeal. "If the present case had not been published by local papers, the relatives of the executed man may not have known his whereabouts. The political adviser should say publicly that people can ask for help from him or a committee under him."

Urban Councilor Mrs Elsie Tu said everybody should have a fair trial, but she supposed the government is not in a position to say openly that it wants to see justice in China, as people in the lower courts of Hong Kong are also not provided with legal aid and may be tried without being represented.

Legality of Execution Questioned

HK260734 Hong Kong HONG KONG STANDARD in English 26 May 86 p 1

[Text] Hong Kong resident, Sin Sui-yau, may have been excuted by firing squad in Guangzhou, immediately after being convicted of robbery, "without" his death sentence being "reviewed" by a higher court in Beijing. This was the observation made by Legislative Councillor, Mr Martin Lee, last night. He said under the laws in China, all death sentences could only be carried out after it had been submitted for review and endorsed by Beijing's Supreme Court. From what he had read in news reports of death sentences in China, the intermediate courts did not seem to have to seek out this rectification from a higher court. This has contravened the laws in China, he added.

Mr Lee said his Chinese counterparts had also told him about executions being carried out immediately without being reviewed by a higher court in Beijing, when he was there recently. He stressed the importance of the review which provides a time lag which would give the defendant or his family a chance to appeal as well as having a better guarantee that justice is being done.